

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

**To the Members of Indegene Limited (formerly known as Indegene Private Limited)**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Indegene Limited (formerly known as Indegene Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true

Registered Office:

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14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (Continued)

### Indegene Limited (formerly known as Indegene Private Limited)

and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report (Continued)

### Indegene Limited (formerly known as Indegene Private Limited)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in

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**Independent Auditor's Report (Continued)**

**Indegene Limited (formerly known as Indegene Private Limited)**

the Note 34 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

  
**Vikash Gupta**  
*Partner*

Place: Bengaluru

Date: 29 April 2023

Membership No.: 064597

ICAI UDIN:23064597BGYQPQ8137



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organisations. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not made any investments in firm, limited liability partnership or any other parties. The Company has not granted any loans, secured or unsecured, to firms and limited liability partnerships or any other parties during the year.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given and in the case of advances in the nature of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts of interest and principal have been regular.

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**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023 (Continued)**

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loan given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues generally have been regularly deposited with the appropriate authorities, though there have been delays in deposit of provident fund dues ranging from 15 to 273 days. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

| Name of the statute              | Nature of the dues | Amount (INR in Million) | Period to which the amount relates | Due date                                                     | Date of payment | Remarks , if any |
|----------------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------------------------------|-----------------|------------------|
| Employee Provident Fund act 1952 | Provident Fund     | INR 0.43                | From April 2022 to August 2022     | 15 <sup>th</sup> May 2022 to 15 <sup>th</sup> September 2022 | Not yet paid    | -                |

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**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023 (Continued)**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Sl. No. | Name of the statute      | Nature of the dues      | Amount (INR in Million) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---------|--------------------------|-------------------------|-------------------------|------------------------------------|--------------------------------|-----------------|
| 1.      | The Income Tax Act, 1961 | Transfer Pricing matter | INR 1.52                | AY 2018-19                         | Income Tax Appellate Tribunal  | -               |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has

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**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023 (Continued)**

been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023 (Continued)**

amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Vikash Gupta**

*Partner*

Place: Bengaluru

Date: 29 April 2023

Membership No.: 064597

ICAI UDIN:23064597BGYQPQ8137

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Indegene Limited (formerly known as Indegene Private Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Indegene Limited (formerly known as Indegene Private Limited) for the year ended 31 March 2023 (Continued)**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022

**Vikash Gupta**

*Partner*

Place: Bengaluru

Date: 29 April 2023

Membership No.: 064597

ICAI UDIN: 23064597BGYQPQ8137

**Indegene Limited (formerly Indegene Private Limited)**

CIN No. U73100KA1998PLC102040

**Standalone balance sheet**

(All amounts in ₹ millions, except share data and where otherwise stated)

|                                                                       | Note | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------|------|------------------------|------------------------|
| <b>Assets</b>                                                         |      |                        |                        |
| <b>Non-current assets</b>                                             |      |                        |                        |
| Property, plant and equipment                                         | 4    | 288                    | 288                    |
| Right-of-use assets                                                   | 7    | 495                    | 432                    |
| Financial assets                                                      |      |                        |                        |
| Investments                                                           | 5    | 2,315                  | 834                    |
| Loan receivable                                                       | 9    | 1                      | 1,370                  |
| Other financial assets                                                | 10   | 67                     | 81                     |
| Deferred tax assets (net)                                             | 25   | 136                    | 106                    |
| Non-current tax assets (net)                                          |      | 43                     | 44                     |
| Other non-current assets                                              | 11   | 3                      | 1                      |
| <b>Total non-current assets</b>                                       |      | <b>3,348</b>           | <b>3,156</b>           |
| <b>Current assets</b>                                                 |      |                        |                        |
| Financial assets                                                      |      |                        |                        |
| Investments                                                           | 6    | 1,688                  | 1,199                  |
| Trade receivables                                                     | 8    |                        |                        |
| Billed                                                                |      | 3,885                  | 3,418                  |
| Unbilled                                                              |      | 123                    | 77                     |
| Cash and cash equivalents                                             | 12   | 418                    | 278                    |
| Other bank balances                                                   | 12   | 122                    | 110                    |
| Other financial assets                                                | 10   | 391                    | 28                     |
| Other current assets                                                  | 11   | 402                    | 235                    |
| <b>Total current assets</b>                                           |      | <b>7,029</b>           | <b>5,345</b>           |
| <b>Total assets</b>                                                   |      | <b>10,377</b>          | <b>8,501</b>           |
| <b>Equity and liabilities</b>                                         |      |                        |                        |
| <b>Equity</b>                                                         |      |                        |                        |
| Share capital                                                         | 13   | 443                    | 4                      |
| Other equity                                                          | 13b  | 7,510                  | 6,496                  |
| <b>Total equity</b>                                                   |      | <b>7,953</b>           | <b>6,500</b>           |
| <b>Non-current liabilities</b>                                        |      |                        |                        |
| Financial liabilities                                                 |      |                        |                        |
| Lease liabilities                                                     | 7    | 380                    | 329                    |
| Provisions                                                            | 15   | 350                    | 265                    |
| <b>Total non-current liabilities</b>                                  |      | <b>730</b>             | <b>594</b>             |
| <b>Current liabilities</b>                                            |      |                        |                        |
| Financial liabilities                                                 |      |                        |                        |
| Trade payables                                                        | 17   |                        |                        |
| (i) Total outstanding dues of micro enterprises and small enterprises |      | 11                     | 10                     |
| (ii) Total outstanding dues of other than (i) above                   |      | 234                    | 248                    |
| Lease liabilities                                                     | 7    | 131                    | 109                    |
| Other financial liabilities                                           | 14   | 610                    | 472                    |
| Other current liabilities                                             | 16   | 306                    | 334                    |
| Provisions                                                            | 15   | 324                    | 234                    |
| Current tax liabilities (net)                                         |      | 78                     | -                      |
| <b>Total current liabilities</b>                                      |      | <b>1,694</b>           | <b>1,407</b>           |
| <b>Total liabilities</b>                                              |      | <b>2,424</b>           | <b>2,001</b>           |
| <b>Total equity and liabilities</b>                                   |      | <b>10,377</b>          | <b>8,501</b>           |

The above statement should be read with the basis of preparation and significant accounting policies appearing in note 2 and note 3 respectively to the Standalone Financial Statements appearing subsequently.

As per our report of even date attached  
for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

**Vikash Gupta**

Partner

Membership number: 064597

Place: Bengaluru

Date: 29 April 2023

for and on behalf of the Board of Directors of

**Indegene Limited (formerly Indegene Private Limited)****Manish Gupta**

CEO and Executive Director

DIN: 00219273

Place: Bengaluru

Date: 29 April 2023

**Suhas Prabhu**

Chief Financial Officer

Place: Bengaluru

Date: 29 April 2023

**Sanjay S. Parikh**

Dr. Sanjay Parikh

Executive Director

DIN: 00219278

Place: Bengaluru

Date: 29 April 2023

**Srishti Kaushik**

Company Secretary

Place: Bengaluru

Date: 29 April 2023



Indegene Limited (formerly Indegene Private Limited)

CIN No. U73100KA1998PLC102040

**Standalone statement of profit and loss**

(All amounts in ₹ millions, except share data and where otherwise stated)

| Particulars                                                                                 | Note    | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------------------------------------------------------------------|---------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>                                                                               |         |                                     |                                     |
| Revenue from operations                                                                     | 18      | 10,057                              | 8,367                               |
| Other income                                                                                | 18A     | 368                                 | 278                                 |
| <b>Total income</b>                                                                         |         | <b>10,425</b>                       | <b>8,645</b>                        |
| <b>EXPENSES</b>                                                                             |         |                                     |                                     |
| Employee benefits expense                                                                   | 19      | 7,012                               | 5,260                               |
| Finance costs                                                                               | 20      | 64                                  | 30                                  |
| Depreciation and amortisation                                                               | 4 & 20A | 317                                 | 236                                 |
| Other expenses                                                                              | 21      | 1,266                               | 1,420                               |
| <b>Total expenses</b>                                                                       |         | <b>8,659</b>                        | <b>6,946</b>                        |
| <b>Profit before tax</b>                                                                    |         | <b>1,766</b>                        | <b>1,699</b>                        |
| <b>Tax expense</b>                                                                          | 25      |                                     |                                     |
| Current tax                                                                                 |         | 497                                 | 288                                 |
| Deferred tax                                                                                |         | (33)                                | 84                                  |
|                                                                                             |         | <b>464</b>                          | <b>372</b>                          |
| <b>Profit for the year</b>                                                                  |         | <b>1,302</b>                        | <b>1,327</b>                        |
| <b>Other comprehensive income (OCI), net of taxes</b>                                       |         |                                     |                                     |
| <i>Items that will not be reclassified subsequently to the statement of profit or loss:</i> |         |                                     |                                     |
| Remeasurement of defined benefit obligation                                                 |         | 10                                  | (35)                                |
| Income tax impact                                                                           |         | (3)                                 | 7                                   |
| <i>Items that will be reclassified subsequently to profit or loss</i>                       |         |                                     |                                     |
| Exchange differences on translating the financial statements of a foreign operation         |         | (5)                                 | -                                   |
| <b>Total other comprehensive income for the year (net of tax)</b>                           |         | <b>2</b>                            | <b>(28)</b>                         |
| <b>Total comprehensive income for the year</b>                                              |         | <b>1,304</b>                        | <b>1,299</b>                        |
| <b>Earning per equity share (face value per share ₹ 2 each)</b>                             | 26      |                                     |                                     |
| Earnings per equity share                                                                   |         |                                     |                                     |
| Basic                                                                                       |         | 5.89                                | 6.05                                |
| Diluted                                                                                     |         | 5.86                                | 6.01                                |

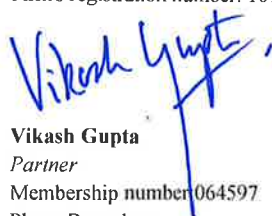
The above statement should be read with the basis of preparation and significant accounting policies appearing in note 2 and note 3 respectively to the Standalone Financial Statements appearing subsequently.

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

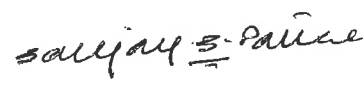
  
**Vikash Gupta**  
Partner  
Membership number 064597

Place: Bengaluru  
Date: 29 April 2023

for and on behalf of the Board of Directors of  
**Indegene Limited (formerly Indegene Private Limited)**

  
**Manish Gupta**  
CEO and Executive Director  
DIN: 00219273  
Place: Bengaluru  
Date: 29 April 2023

  
**Suhas Prabhu**  
Chief Financial Officer  
Place: Bengaluru  
Date: 29 April 2023

  
**Dr. Sanjay Parikh**  
Executive Director  
DIN: 00219278  
Place: Bengaluru  
Date: 29 April 2023

  
**Srishti Kaushik**  
Company Secretary  
Place: Bengaluru  
Date: 29 April 2023

**Indegene Limited (formerly Indegene Private Limited)**

CIN No. U73100KA1998PLC102040

**Standalone statement of changes in equity**

(All amounts in ₹ millions, except share data and where otherwise stated)

|                                                 | As at 31 March 2023 |            | As at 31 March 2022 |          |
|-------------------------------------------------|---------------------|------------|---------------------|----------|
|                                                 | Number of shares    | Amount     | Number of shares    | Amount   |
| <b>Equity share capital</b>                     |                     |            |                     |          |
| Balance as at the beginning of the year         | 1,754,085           | 4          | 1,566,965           | 3        |
| Add: Bonus shares issued (refer note 13a)       | 219,311,875         | 438        | -                   | -        |
| Add: Issued during the year                     | 409,154             | 1          | 187,520             | ^        |
| Less: Shares bought back as treasury shares     | -                   | -          | -                   | -        |
| <b>Balance at the end of the reporting year</b> | <b>221,475,114</b>  | <b>443</b> | <b>1,754,085</b>    | <b>4</b> |

| Particulars                                                                | Reserves and surplus                      |                    |                             |                                      |
|----------------------------------------------------------------------------|-------------------------------------------|--------------------|-----------------------------|--------------------------------------|
|                                                                            | Share application money pending allotment | Securities premium | Share based payment reserve | Foreign currency translation reserve |
| <b>Balance as at 01 April 2021</b>                                         | -                                         | 162                | 44                          | -                                    |
| Add : Profit for the year                                                  | -                                         | -                  | -                           | -                                    |
| Add : Other comprehensive income (net of tax) for the year (refer note 24) | -                                         | -                  | -                           | -                                    |
| <b>Total comprehensive income for the year</b>                             | -                                         | -                  | -                           | -                                    |
| Issue of equity shares on exercise of options                              | -                                         | 62                 | (53)                        | -                                    |
| Issue of new shares                                                        | -                                         | 2,620              | -                           | -                                    |
| Transaction cost on issue of shares                                        | -                                         | (25)               | -                           | -                                    |
| Purchase of treasury shares                                                | -                                         | (10)               | -                           | -                                    |
| Compensation cost related to employee share based payment (refer note 19)  | -                                         | -                  | 67                          | -                                    |
| <b>Balance as at 31 March 2022</b>                                         | <b>2,647</b>                              | <b>2,809</b>       | <b>58</b>                   | <b>1,299</b>                         |
| Add : Profit for the year                                                  | -                                         | -                  | -                           | -                                    |
| Add : Other comprehensive income (net of tax) for the year (refer note 24) | -                                         | -                  | -                           | -                                    |
| <b>Total comprehensive income for the year</b>                             | -                                         | -                  | -                           | -                                    |
| Issue of equity shares on exercise of options                              | -                                         | 28                 | (27)                        | -                                    |
| Issue of bonus shares (refer note 13a)                                     | -                                         | (438)              | -                           | -                                    |
| Issue of new shares                                                        | -                                         | ^                  | -                           | -                                    |
| Compensation cost related to employee share based payment (refer note 19)  | -                                         | -                  | 147                         | -                                    |
| <b>Balance as at 31 March 2023</b>                                         | <b>410</b>                                | <b>2,399</b>       | <b>178</b>                  | <b>1,309</b>                         |

|                                                                            | Retained earnings | Total other equity |
|----------------------------------------------------------------------------|-------------------|--------------------|
| <b>Balance as at 01 April 2021</b>                                         | <b>2,330</b>      | <b>2,536</b>       |
| Add : Profit for the year                                                  | 1,327             | 1,327              |
| Add : Other comprehensive income (net of tax) for the year (refer note 24) | (28)              | (28)               |
| <b>Total comprehensive income for the year</b>                             | <b>1,299</b>      | <b>1,299</b>       |
| Issue of equity shares on exercise of options                              | -                 | -                  |
| Issue of new shares                                                        | -                 | -                  |
| Transaction cost on issue of shares                                        | -                 | -                  |
| Purchase of treasury shares                                                | -                 | -                  |
| Compensation cost related to employee share based payment (refer note 19)  | -                 | -                  |
| <b>Balance as at 31 March 2022</b>                                         | <b>3,629</b>      | <b>6,496</b>       |
| Add : Profit for the year                                                  | 1,302             | 1,302              |
| Add : Other comprehensive income (net of tax) for the year (refer note 24) | 7                 | 2                  |
| <b>Total comprehensive income for the year</b>                             | <b>1,309</b>      | <b>1,304</b>       |
| Issue of equity shares on exercise of options                              | -                 | -                  |
| Issue of bonus shares (refer note 13a)                                     | -                 | -                  |
| Issue of new shares                                                        | -                 | -                  |
| Compensation cost related to employee share based payment (refer note 19)  | -                 | -                  |
| <b>Balance as at 31 March 2023</b>                                         | <b>4,938</b>      | <b>7,510</b>       |

The above statement should be read with the basis of preparation and significant accounting policies appearing in note 2 and note 3 respectively to the Standalone Financial Statements appearing subsequently.

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101843W/W-100022

*Vibodh Gupta*

**Vibodh Gupta**

Partner

Membership number: 064587

Place: Bengaluru

Date: 29 April 2023

for and on behalf of the Board of Directors of  
**Indegene Limited (formerly Indegene Private Limited)**

*Manish Gupta*

**Manish Gupta**

CEO and Executive Director

DIN: 00219273

Place: Bengaluru

Date: 29 April 2023

*Suhel Prabhu*

**Suhel Prabhu**

Chief Financial Officer

Place: Bengaluru

Date: 29 April 2023

*Sanjay Parikh*

**Dr. Sanjay Parikh**

Executive Director

DIN: 00219278

Place: Bengaluru

Date: 29 April 2023

*Srishti Kaushik*

**Srishti Kaushik**

Company Secretary

Place: Bengaluru

Date: 29 April 2023

**Indegene Limited (formerly Indegene Private Limited)**

CIN No. U73100KA1998PLC102040

**Standalone statement of cash flow**

(All amounts in ₹ millions, except share data and where otherwise stated)

|                                                                                             | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A. Cash flows from operating activities</b>                                              |                                     |                                     |
| Profit before tax for the year                                                              | 1,766                               | 1,699                               |
| <i>Adjustments for:</i>                                                                     |                                     |                                     |
| Depreciation and amortisation expense                                                       | 317                                 | 236                                 |
| Finance costs                                                                               | 64                                  | 30                                  |
| Net gain on disposal / fair valuation of investments                                        | (69)                                | (50)                                |
| Interest income                                                                             | (113)                               | (63)                                |
| Employee Stock Option Plan expense                                                          | 40                                  | 38                                  |
| Dividend received                                                                           | -                                   | (6)                                 |
| Expected credit loss on trade receivables and advances                                      | (3)                                 | -                                   |
| Effect of exchange differences on restatement of monetary assets and liabilities            | 92                                  | (30)                                |
| <b>Operating profit before working capital changes</b>                                      | <b>2,094</b>                        | <b>1,854</b>                        |
| <b>Changes in working capital</b>                                                           |                                     |                                     |
| (Increase)/decrease in trade receivables                                                    | (508)                               | (1,710)                             |
| (Increase)/ decrease in loans and advances and other assets                                 | (562)                               | (22)                                |
| Increase/ (decrease) in liabilities and provisions                                          | 213                                 | 619                                 |
| <b>Cash generated from operation activities</b>                                             | <b>1,237</b>                        | <b>741</b>                          |
| Income tax paid (net)                                                                       | (418)                               | (359)                               |
| <b>Net cash generated from operating activities [A]</b>                                     | <b>819</b>                          | <b>382</b>                          |
| <b>Cash flow from investing activities</b>                                                  |                                     |                                     |
| Purchase of plant and equipment, net                                                        | (158)                               | (210)                               |
| Loan to subsidiaries                                                                        | -                                   | (1,330)                             |
| Repayment of loan by subsidiaries                                                           | 7                                   | 3                                   |
| Sale of investments in Mutual Fund                                                          | -                                   | 2,598                               |
| Purchase of Investments                                                                     | (420)                               | (3,747)                             |
| Interest received                                                                           | 104                                 | 57                                  |
| Investment in fixed deposit                                                                 | (122)                               | (110)                               |
| Redemption / maturity of fixed deposit                                                      | 110                                 | 66                                  |
| Dividend received                                                                           | -                                   | 6                                   |
| <b>Net cash used in investing activities [B]</b>                                            | <b>(479)</b>                        | <b>(2,667)</b>                      |
| <b>Cash flow from financing activities</b>                                                  |                                     |                                     |
| Proceeds from issue of shares                                                               | -                                   | 2,629                               |
| Purchase of treasury shares                                                                 | -                                   | (10)                                |
| Transaction cost on issue of shares                                                         | -                                   | (25)                                |
| Share application money received, pending allotment                                         | -                                   | -                                   |
| Interest and finance charges paid                                                           | -                                   | (13)                                |
| Payment of lease liability                                                                  | (169)                               | (132)                               |
| <b>Net cash (used in)/ generated from financing activities [C]</b>                          | <b>(169)</b>                        | <b>2,449</b>                        |
| <b>Net increase in cash and cash equivalents during the year [A+B+C]</b>                    | <b>171</b>                          | <b>164</b>                          |
| Cash and cash equivalents as at the beginning of the year                                   | 278                                 | 116                                 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (31)                                | (2)                                 |
| <b>Cash and cash equivalents at the end of the year</b>                                     | <b>418</b>                          | <b>278</b>                          |



Indegene Limited (formerly Indegene Private Limited)

CIN No. U73100KA1998PLC102040

Standalone statement of cash flow

(All amounts in ₹ millions, except share data and where otherwise stated)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following (refer note 12):

|                       | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------------|-------------------------------------|-------------------------------------|
| Cash in hand          | -                                   | -                                   |
| Balances with bank:   |                                     |                                     |
| - In current accounts | 418                                 | 278                                 |
| <b>Total</b>          | <b>418</b>                          | <b>278</b>                          |

Reconciliation of movements of liabilities to cash flows arising from financing activities

For the year ended 31 March 2023

| Particulars                                | Short-term<br>borrowings | Long-term borrowings | Total    |
|--------------------------------------------|--------------------------|----------------------|----------|
| Opening Balance as on 01 April 2022        | -                        | -                    | -        |
| Add: During the year                       | -                        | -                    | -        |
| Less: Repayment during the year            | -                        | -                    | -        |
| <b>Closing Balance as on 31 March 2023</b> | <b>-</b>                 | <b>-</b>             | <b>-</b> |

For the year ended 31 March 2022

| Particulars                                | Short-term<br>borrowings | Long-term borrowings | Total    |
|--------------------------------------------|--------------------------|----------------------|----------|
| Opening Balance as on 01 April 2021        | -                        | -                    | -        |
| Add: During the year                       | 446                      | -                    | -        |
| Less: Repayment during the year            | (446)                    | -                    | -        |
| <b>Closing Balance as on 31 March 2022</b> | <b>-</b>                 | <b>-</b>             | <b>-</b> |

Cash flow from operating activities for the year ended 31 March 2023 is after considering corporate social responsibility expenditure of ₹ 28 ( 2022: ₹ 21).

The above Standalone statement of cash flow has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

The above statement should be read with the basis of preparation and significant accounting policies appearing in note 2 and note 3 respectively to the Standalone Financial Statements appearing subsequently.

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Indegene Limited (formerly Indegene Private Limited)**

  
**Vikash Gupta**

Partner

Membership number: 064597

Place: Bengaluru

Date: 29 April 2023

  
**Manish Gupta**

CEO and Executive Director

DIN: 00219273

Place: Bengaluru

Date: 29 April 2023

  
**Dr. Sanjay Parikh**

Executive Director

DIN: 00219278

Place: Bengaluru

Date: 29 April 2023

  
**Suhas Prabhu**

Chief Financial Officer

Place: Bengaluru

Date: 29 April 2023

  
**Srishti Kaushik**

Company Secretary

Place: Bengaluru

Date: 29 April 2023



**1 Corporate Information**

Indegene Limited (formerly Indegene Private Limited) ('the Company' or 'Indegene') is a global provider of solutions consisting of analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organizations.

The Company was incorporated in the year 1998 in India and has a branch office in the United Kingdom and subsidiaries in the United States of America, United Kingdom, Republic of Ireland, Japan, People's Republic of China, Singapore, Switzerland and Mexico. The registered office of the Company is situated at Aspen G4, 3rd Floor, Manyata Embassy Business Park, Outer Ring Road, Nagavara, Bengaluru – 560045, India.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extra ordinary general meeting of the shareholders of the company held on 07 November 2022 and consequently the name of the Company has changed to Indegene Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 17 November 2022. These Standalone financial statements were authorized for issue by the Board of Directors on 27 April 2023.

**2 Basis of preparation of Standalone financial statements**

**(i) Statement of compliance and basis of preparation**

The Standalone financial information of the Company comprise the Standalone statement of balance sheet as at 31 March 2023 and 31 March 2022, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone statement of changes in equity and the Standalone statement of cash flows for the year ended 31 March 2023 and 31 March 2022, the summary of significant accounting policies and explanatory notes (collectively, the 'Standalone financial statement').

The standalone financial statements of the company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Standalone financial statements and other relevant provisions of the Act.

The accounting policies have been consistently applied by the Company in preparation of the Standalone financial statements. These Standalone financial statements do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited Standalone financial statements mentioned above. All amounts disclosed in the Standalone financial statements and notes have been rounded off to the nearest ₹ millions as per the requirement of Schedule III, unless otherwise stated. There were no changes in accounting policies during the year of these Standalone financial statements.

The preparation of these Standalone financial statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Standalone's accounting policies. The areas where estimates are significant to the Standalone financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note (iv).

**(ii) Functional and presentation currency**

All amounts included in the standalone financial statements are reported in Indian rupees (in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. "Λ" in the financials denote amounts less than ₹ 0.50 million.

**(iii) Basis of measurement**

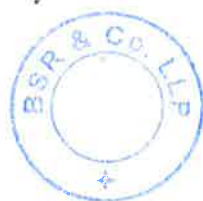
The standalone financial statements have been prepared on a going concern basis, the historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:-

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss;
- c) Share based payments
- d) Defined benefits assets/ (liability)

**(iv) Use of estimates or judgement**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:



## 2. Basis of preparation of Standalone financial statements (Continued)

### a) Revenue recognition

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product and services are combined and accounted as a single performance obligation. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The Company also exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company uses the percentage of completion method using the input method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Further, the Company also considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer, etc.

### b) Income tax

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. The tax assessments can be lengthy and complex issues and could take inordinate amount of time before they are resolved. The Company considers all these complexities while estimating income taxes, however, there could be an unfavourable resolution of such issues.

### c) Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax assets and projected future taxable income in making this assessment. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### d) Lease

IND AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

### e) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### f) Expected credit losses on financial assets

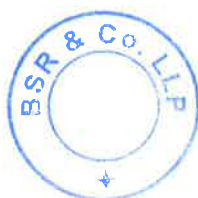
The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### g) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### h) Useful lives of Property, plant and Equipment:

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets which is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.



**2. Basis of preparation of Standalone financial statements (Continued)****i) Other estimates:**

The share-based compensation expense is determined based on the Company estimate of equity instruments that will eventually vest. Information about other estimation and assumptions related uncertainties that could have a significant risk of material adjustment are:

- (a) Impairment test – Key assumptions underlying recoverable amounts including, the recoverability of assets in a Cash generating unit (CGU)
- (b) Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.

**3 Significant accounting policies**

These standalone financial statements are presented in Indian rupees(₹), which is the functional currency of the Company.

**(a) Foreign currency transactions***Transactions and balances*

All transactions in foreign currencies are translated to the functional currency using the prevailing exchange rates on the date of such transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. All foreign currency differences are generally recognised in the statement of profit and loss, except for non-monetary items denominated in foreign currency and measured based on historical cost, as they are not translated.

**(b) Property, plant and equipment***Recognition and measurement*

Items of Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, plant and equipment. Gains and losses on disposal of an item of Property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant and equipment and are recognised net within "other income" in the Standalone statement of profit and loss.

Deposits and advances paid towards the acquisition of plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital advance.

*Subsequent costs*

The Company recognises the carrying amount of an item of Property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Standalone statement of profit and loss as an expense as incurred. Ongoing repairs and maintenance are expensed as incurred.

*Depreciation*

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of items of plant and equipment. The estimated useful lives are as follows:

| Asset classification      | Useful life as per Companies Act, 2013 | Estimated useful life |
|---------------------------|----------------------------------------|-----------------------|
| Computers and accessories | 3 years                                | 3 years               |
| Furniture and fittings    | 10 years                               | 3-5 years             |
| Office equipment          | 5 years                                | 3-5 years             |
| Vehicle                   | 8 years                                | 5 years               |

Leasehold improvements are depreciated over the lease period or over the useful lives of assets, whichever is lower. The depreciation method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate. Assets acquired through business combination are depreciated on straight line basis over the remaining useful life of asset estimated by the management on the date of acquisition. The asset category and the useful lives estimated by management are as per schedule II to Companies Act, 2013, except furniture and fittings and vehicles.

**(c) Intangible assets and amortisation**

Intangible assets that are acquired by the Company and having finite useful life are measured initially at cost. After initial recognition, these are carried at cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Expenditure incurred on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Standalone Statement of Profit and Loss and other comprehensive income as and when incurred. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. Development activities involve a plan or design for the production of new or substantially improved products or processes.





### 3. Significant accounting policies (Continued)

The expenditure capitalized includes the cost of materials, staff costs, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Standalone Statement of Profit and Loss and comprehensive income as and when incurred.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortization methods and the estimated useful life of assets are reviewed, and where appropriate are adjusted, annually.

The Company amortises technologies, trademarks and customer relations over a period of 6 months to 10 years from the date they are available for use depending on the expected period over which these are expected to give economic benefits. Internally generated software has a useful life of 3 years.

#### (d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Upon initial recognition, financial instruments are measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

##### *Financial assets*

Financial assets are classified into following categories:

- Financial assets carried at amortised cost
- Financial assets fair valued through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL),

Financial assets primarily comprise of trade receivables, loan and receivables, cash and bank balances and marketable securities and investments.

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it meets both the following criteria:

- (i) the asset is held within a business model whose objective is to hold the asset to collect contractual cash flows, and
- (ii) the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

##### *Financial assets at fair value through other comprehensive income (FVTOCI)*

A financial asset is subsequently measured at fair value through other comprehensive income if it meets both the following criteria:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. For equity investments elected to be measured at FVTOCI, all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument. Interest income earned on FVTOCI instruments are recognised in the statement of profit and loss.

##### *Financial assets at fair value through profit or loss (FVTPL)*

A financial asset which does not meet the amortised cost or FVTOCI criteria is measured as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses on re-measurement recognised in statement of profit or loss. The gain or loss on disposal is recognised in the statement of profit and loss. Interest income earned on FVTPL instruments are recognised in the statement of profit and loss.

##### *Financial liabilities*

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial liabilities primarily include trade payables, liabilities to banks, derivative financial liabilities and other liabilities.

##### *Financial liabilities measured at amortized cost*

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method, except for contingent considerations recognized in a business combination which is subsequently measured at FVTPL. For trade and other payables, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

##### *Compound financial instruments*

Compound financial instruments have both a financial liability and an equity component from the issuer's perspective. The components are defined based on the terms of the financial instrument and presented and measured separately according to their substance. At initial recognition of a compound financial instrument, the financial liability component is recognised at fair value and the residual amount is allocated to equity.





### 3. Significant accounting policies (Continued)

#### *Derivative financial instruments*

All derivatives are recognized initially at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of profit and loss, except for derivatives that are highly effective and qualify for cash flow or net investment hedge accounting.

#### *Non-financial underlying variable*

The definition of a derivative excludes instruments with a non-financial underlying variable that is specific to a party to the contract. The Company has considered the accounting policy choice of considering EBITDA, profit, sales volume, revenue or the cash flows of one counterparty to be a non-financial underlying variable that are specific to a party to the contract.

#### *De-recognition of financial assets and liabilities*

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of financial liability) is derecognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expires.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### (e) Impairment

#### *(a) Financial assets*

Ind AS 109 requires the Company to record expected credit losses on all of its financial assets which are debt securities, loans and receivables, either on a 12-month or life time expected credit losses. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, ECL are measured at an amount equal to 12-month ECL, unless there is a significant increase in the credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

#### *(b) Non-financial assets*

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and intangible assets with indefinite economic lives are tested for impairment annually and at other times when such indicators exist. The recoverable amounts of cash generating units have been determined based on value-in-use calculations.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

### (f) Equity

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the Standalone statement of assets and liabilities until the equity instrument is recognized. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognized.

The transaction costs incurred with respect to the proposed IPO of the Company is recognized as an asset to the extent recoverable from the selling shareholders. The remaining costs are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognized in the statement of profit or loss. The remaining costs attributable to new issuance of shares is deferred on the Standalone balance sheet and recognized in equity once the instrument is issued.

### (g) Treasury shares

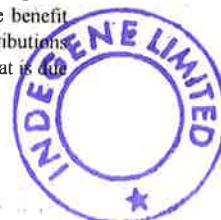
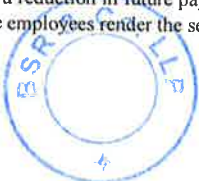
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in other reserve.

### (h) Employee benefits

#### *(a) Post-employment benefits*

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in statement of profit and loss and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.



### 3. Significant accounting policies (Continued)

#### *Defined benefit plans*

The Company's gratuity benefit scheme is a defined benefit plan. Gratuity benefits are unfunded. The Company's obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in Other Comprehensive Income, net of taxes. All expenses related to defined benefit plans are recognized in employee benefit expense in the Standalone statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

#### *Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Since the Company does not have rights to defer the leave entitlement by the employees, the entire obligation has been classified as 'current liabilities' under 'short-term provisions'.

#### *Termination benefits*

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### *(b) Other long term benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and future periods. That benefit is discounted to determine its present value. Re-measurements are recognised in statement of profit and loss in the period in which they arise.

#### *(c) Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employee.

#### *(d) Share-based payment transactions*

The cost of equity settled transactions with employees is measured by reference to the fair value of the date on which the share options are granted. The expense is recognised in the statement of profit and loss with a corresponding increase to the share options outstanding account, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments or cash settled instruments that will eventually vest.

At each reporting date, the Standalone reviews its estimates of the number of options that are expected to become exercisable on vesting date. The Standalone recognises the impact of the revision of original estimates, if any, in the Standalone Statement of Profit and Loss and other comprehensive income, and a corresponding adjustment to equity over the vesting period.

#### **(i) Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### **(j) Revenue**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.



### 3. Significant accounting policies (Continued)

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

#### A. Time and materials contracts

Revenues and costs relating to time and materials are recognized as the related services are rendered.

#### B. Fixed-price contracts

Revenues related to fixed-price contracts viz. maintenance and testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. Revenue is recognized based on the achievement of the output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

Revenue from other fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

#### Volume based contracts

Revenues and costs are recognized as the related services are rendered.

#### C. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

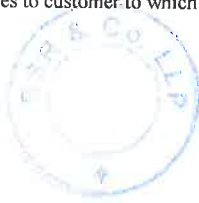
The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.





### **3. Significant accounting policies (Continued)**

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If the Company controls the good or service before it is transferred to the customer, the Company is the principal; if not, the Company is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

#### **D. Financial and other Income**

Other income comprises interest income of deposits and gains/ (losses) on disposal of investments. Interest income is recognised using the effective interest method and the dividend income from subsidiaries.

#### **(k) Leases**

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company determines the lease term as the noncancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken during the lease term, cost relating to the termination of the lease and location of the underlying assets and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for the identified impairment loss, if any.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Standalone balance sheet and lease payments have been classified as financing cash flows.

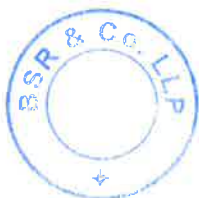
#### **(l) Financing cost**

Finance costs comprise of interest expenses including interest on tax, dividend on preference shares issued which are classified as financial liabilities, foreign currency loss on financial assets and liabilities arising due to financing activities and discounting charges of trade receivable.

#### **(m) Income tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax expense is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.





### **3. Significant accounting policies (Continued)**

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax ('MAT') credit are recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **(n) Determination of fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Standalone can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or
- Level 3 inputs for the asset or liability that are not based on unobservable data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### **(o) Contingent liability and Asset**

A disclosure for contingent liabilities is made where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

#### **(p) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

#### **(q) Non Current assets or disposal groups held for distribution**

Non-Current assets, or disposal groups comprising assets and liabilities are classified as held for distribution if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.



### 3. Significant accounting policies (Continued)

Once classified as held-for-distribution, intangible assets, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

#### (r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

#### (s) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (t) Exceptional items

The Company considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a proper understanding of the Company's financial performance. These items include, but are not limited to, acquisition costs, restructuring costs and profits and losses on disposal of subsidiaries, contingent consideration and other one off items which meet this definition. To provide a better understanding of the underlying results of the period, exceptional items are reported separately in the Standalone financial Statement of Profit and Loss.

#### (u) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

#### (v) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

##### Ind AS 1 – Presentation of Financial Statements

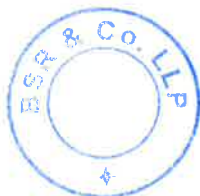
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

##### Ind AS 12 – Income Taxes

The amendments narrowed the scope of the initial recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and offsetting temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

##### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**4. Property, plant and equipment**

|                                              | Computer and accessories* | Office equipment | Furniture and fittings | Leasehold Improvements | Total |
|----------------------------------------------|---------------------------|------------------|------------------------|------------------------|-------|
| <b>Gross carrying value</b>                  |                           |                  |                        |                        |       |
| As at 01 April 2021                          | 431                       | 49               | 14                     | 102                    | 596   |
| Additions                                    | 198                       | 10               | 5                      | -                      | 213   |
| Disposals                                    | (50)                      | -                | -                      | -                      | (50)  |
| As at 31 March 2022                          | 579                       | 59               | 19                     | 102                    | 759   |
| Additions                                    | 111                       | 5                | 6                      | 47                     | 169   |
| As at 31 March 2023                          | 690                       | 64               | 25                     | 149                    | 928   |
| <b>Accumulated depreciation/ impairment:</b> |                           |                  |                        |                        |       |
| As at 01 April 2021                          | 269                       | 37               | 12                     | 76                     | 394   |
| Depreciation                                 | 115                       | 5                | 1                      | 6                      | 127   |
| Disposals                                    | (50)                      | -                | -                      | -                      | (50)  |
| As at 31 March 2022                          | 334                       | 42               | 13                     | 82                     | 471   |
| Depreciation                                 | 150                       | 5                | 2                      | 12                     | 169   |
| As at 31 March 2023                          | 484                       | 47               | 15                     | 94                     | 640   |
| <b>Carrying amounts (net)</b>                |                           |                  |                        |                        |       |
| As at 01 April 2021                          | 162                       | 12               | 2                      | 26                     | 202   |
| As at 31 March 2022                          | 245                       | 17               | 6                      | 20                     | 288   |
| As at 31 March 2023                          | 206                       | 17               | 10                     | 55                     | 288   |

\* Computer and accessories also includes software purchase as a part of computers and laptops.  
Property, plant and equipment have been offered as security against the working capital facilities provided by the bank. (refer note 34)

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## 5. Investments

| Particulars                                                                                                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Unquoted equity and preference instruments (measures at cost less impairment) of subsidiaries:</b>               |                        |                        |
| <i>(i) Investment in equity shares (unquoted) (fully paid up)</i>                                                   |                        |                        |
| ILSL Holdings, Inc., USA (refer note 9)<br>1,066,250 (2022: 1,000,000) equity shares of USD 0.0001 each             | 1,481                  | ^                      |
| Indegene Farecast Pte Ltd., Singapore<br>150,000 (2022: 150,000) equity shares of SGD 1 each                        | 4                      | 4                      |
| Indegene Lifesystems Consulting (Shanghai) Co, Ltd., China*                                                         | 282                    | 282                    |
| Indegene Europe LLC, Switzerland<br>50 (2022: 50) equity shares of CHF 1000 each                                    | 3                      | 3                      |
| Indegene Japan LLC*                                                                                                 | 94                     | 94                     |
| Less: Provision for diminution in value of investments                                                              | 1,864<br>(181)         | 383<br>(181)           |
| <i>(ii) Investment in preference shares (unquoted) (fully paid up)</i>                                              | 1,683                  | 202                    |
| ILSL Holdings, Inc., USA - 8% preference shares<br>1,356,851 (2022: 1,356,851) preference shares of USD 0.0001 each | 632                    | 632                    |
| Indegene Farecast Pte Ltd, Singapore - 8% preference shares<br>13,830 (2022: 13,830) preference shares SGD 100 each | 43                     | 43                     |
| Less: Provision for diminution in value of investments                                                              | (43)                   | (43)                   |
| <b>Total</b>                                                                                                        | <b>2,315</b>           | <b>834</b>             |
| <b>Aggregate amount of quoted investments and market value thereof:</b>                                             | -                      | -                      |
| <b>Aggregate amount of unquoted investments</b>                                                                     | <b>2,538</b>           | <b>1,058</b>           |
| <b>Aggregate amount of impairment in value of investments</b>                                                       | <b>(224)</b>           | <b>(224)</b>           |

Indegene Healthcare Mexico S DE RL DE CV(1) has been incorporated on 02 December 2021 and investment in subsidiary is nil.

\*As per local of laws of the subsidiary domicile, there is no concept of share certificate. Hence, the investment by the Company is in the form of equity contribution.

## 6. Current Investments

| Particulars                                                                      | Number of units        |                        | Carrying value         |                        |
|----------------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                                                  | As at<br>31 March 2023 | As at<br>31 March 2022 | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Investment carried at fair value through profit or loss</b>                   |                        |                        |                        |                        |
| <b>Current</b>                                                                   |                        |                        |                        |                        |
| Aditya Birla Sun Life Liquid Fund                                                | 2,64,819               | 2,64,819               | 96                     | 91                     |
| Axis Liquid Fund                                                                 | 38,860                 | 38,860                 | 97                     | 92                     |
| HDFC Liquid Fund                                                                 | 18,626                 | 18,626                 | 82                     | 78                     |
| IDFC Cash Fund                                                                   | 28,725                 | 28,725                 | 78                     | 74                     |
| HDFC Money Market Fund                                                           | 19,212                 | 19,212                 | 95                     | 89                     |
| ICICI Prudential Money Market Fund                                               | 6,22,184               | 3,20,355               | 204                    | 98                     |
| IDFC Ultra Short Term Fund                                                       | 1,00,44,182            | 1,19,98,016            | 193                    | 148                    |
| L&T Ultra Short Term Fund *                                                      | -                      | 42,36,290              | -                      | 154                    |
| DSP Low Duration Fund                                                            | 46,98,894              | 46,98,894              | 81                     | 77                     |
| IDFC Low Duration Fund**                                                         | -                      | 20,99,753              | -                      | 67                     |
| Tata Treasury Advantage Fund                                                     | 23,796                 | 23,796                 | 81                     | 77                     |
| Bandhan - Ultra Short Term Fund                                                  | 49,62,532              | -                      | 65                     | -                      |
| Bandhan - Low Duration Fund                                                      | 20,99,753              | -                      | 70                     | -                      |
| HDFC Ultra Short Term Fund                                                       | 1,38,94,802            | 62,14,989              | 182                    | 77                     |
| SBI Magnum Ultra Short                                                           | 15,752                 | 15,752                 | 81                     | 77                     |
| HSBC Ultra Short Term Fund                                                       | 1,39,387               | -                      | 162                    | -                      |
| Aditya Birla Sun Life Money Manager Fund                                         | 3,82,177               | -                      | 121                    | -                      |
| <b>Mutual Fund units (Quoted)</b>                                                |                        |                        | <b>1,688</b>           | <b>1,199</b>           |
| <b>Aggregate amount of quoted investments and aggregate market value thereof</b> |                        |                        | <b>1,688</b>           | <b>1,199</b>           |
| <b>Aggregate book value of quoted investments</b>                                |                        |                        | <b>1,688</b>           | <b>1,199</b>           |
| <b>Aggregate book value of unquoted</b>                                          |                        |                        |                        |                        |
| <b>Aggregate value of impairment</b>                                             |                        |                        |                        |                        |

\*L&T Mutual fund been acquired by HSBC Mutual fund. As a result all the L&T funds have been migrated to HSBC (effective December 2022).

\*\*IDFC Mutual fund has been rebranded as Bandhan Mutual fund (effective March 2023).



**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**7. Right-of-use assets and lease liabilities**

Information about leases for which the Company is a lessee is presented below:

|                                  | <b>Buildings</b> | <b>Total</b> |
|----------------------------------|------------------|--------------|
| <b>As at 01 April 2021</b>       | <b>398</b>       | <b>398</b>   |
| Additions                        | 337              | 337          |
| <b>As at 31 March 2022</b>       | <b>735</b>       | <b>735</b>   |
| Additions                        | 211              | 211          |
| <b>As at 31 March 2023</b>       | <b>946</b>       | <b>946</b>   |
| <b>Accumulated amortisation:</b> |                  |              |
| <b>As at 01 April 2021</b>       | <b>194</b>       | <b>194</b>   |
| Amortisation                     | 109              | 109          |
| <b>As at 31 March 2022</b>       | <b>303</b>       | <b>303</b>   |
| Amortisation                     | 148              | 148          |
| <b>As at 31 March 2023</b>       | <b>451</b>       | <b>451</b>   |
| <b>Net book value</b>            |                  |              |
| <b>As at 01 April 2021</b>       | <b>204</b>       | <b>204</b>   |
| <b>As at 31 March 2022</b>       | <b>432</b>       | <b>432</b>   |
| <b>As at 31 March 2023</b>       | <b>495</b>       | <b>495</b>   |

Lease contracts entered into by the Company pertain to buildings taken on lease to conduct its business in the ordinary course. These arrangements generally range between 2 years and 7 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain.

The movement in lease liabilities during the years ended 31 March 2023 and 31 March 2022 is as follows:

|                                             | <b>Year ended<br/>31 March 2023</b> | <b>Year ended<br/>31 March 2022</b> |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Balance at the beginning of the year</b> | <b>438</b>                          | <b>230</b>                          |
| Additions                                   | 203                                 | 323                                 |
| Accretion of interest                       | 39                                  | 17                                  |
| Payment of lease liabilities                | (169)                               | (132)                               |
| <b>Balance as at end of the year</b>        | <b>511</b>                          | <b>438</b>                          |

|                                                        | <b>As at<br/>31 March 2023</b> | <b>As at<br/>31 March 2022</b> |
|--------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Lease liabilities included in the balance sheet</b> |                                |                                |
| Current                                                | 131                            | 109                            |
| Non-current                                            | 380                            | 329                            |
|                                                        | <b>511</b>                     | <b>438</b>                     |

The details of the contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022 on an undiscounted basis are as follows:

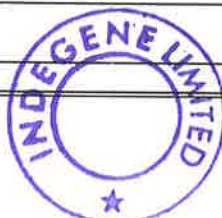
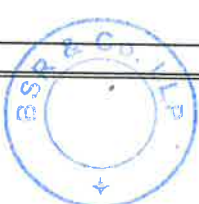
|                                                                | <b>As at<br/>31 March 2023</b> | <b>As at<br/>31 March 2022</b> |
|----------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Maturity analysis – contractual undiscounted cash flows</b> |                                |                                |
| Less than one year                                             | 163                            | 135                            |
| One to five years                                              | 423                            | 364                            |
| More than five years                                           | -                              | 12                             |
| <b>Total</b>                                                   | <b>586</b>                     | <b>511</b>                     |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

During the year ended 31 March 2023, the Company incurred expenses amounting to ₹16 (2022 : ₹32) towards short-term leases and leases of low-value.

The table below provides details regarding amounts recognized in the Standalone Statement of Profit and Loss:

|                               | <b>Year ended<br/>31 March 2023</b> | <b>Year ended<br/>31 March 2022</b> |
|-------------------------------|-------------------------------------|-------------------------------------|
| Amortisation                  | 148                                 | 109                                 |
| Interest on lease liabilities | 39                                  | 17                                  |
|                               | <b>187</b>                          | <b>126</b>                          |



14



## 8. Trade receivables

| Particulars                                                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------------|------------------------|------------------------|
| Billed                                                              |                        |                        |
| Trade receivables*                                                  | 3,886                  | 3,422                  |
| Less: expected credit loss allowance                                | (1)                    | (4)                    |
|                                                                     | <b>3,885</b>           | <b>3,418</b>           |
| (Unsecured, unless otherwise stated)                                |                        |                        |
| a) Trade receivables considered good *                              | 3,885                  | 3,418                  |
| b) Trade receivables which have significant increase in credit risk | 1                      | 4                      |
| Less: expected credit loss allowance                                | (1)                    | (4)                    |
| c) Trade receivable which are credit impaired                       | -                      | -                      |
| <b>Total trade receivables</b>                                      | <b>3,885</b>           | <b>3,418</b>           |

### Movement in expected credit loss allowance of trade receivables:

|                                                                   |          |          |
|-------------------------------------------------------------------|----------|----------|
| Opening balance                                                   | 4        | 4        |
| Add: Provision/ (reversal) of trade receivables - credit impaired | (3)      | -        |
| <b>Closing balance</b>                                            | <b>1</b> | <b>4</b> |

\*Includes receivables from subsidiaries ₹ 3,544 (2022: ₹ 3,037) (refer note 27).

### Ageing for trade receivables outstanding as at 31 March, 2023 is as follows:

| Particulars                                                                      | Outstanding for following periods from due date of payment |              |                    |                   |                   |           |                         | Expected credit loss allowance | Net trade receivables |
|----------------------------------------------------------------------------------|------------------------------------------------------------|--------------|--------------------|-------------------|-------------------|-----------|-------------------------|--------------------------------|-----------------------|
|                                                                                  | Not due                                                    | < 6 months   | 6 months to 1 year | 1 year to 2 years | 2 year to 3 years | > 3 years | Gross trade receivables |                                |                       |
| i) Undisputed trade receivable - considered good                                 | 1,081                                                      | 2,804        | ^                  | -                 | -                 | -         | -                       | -                              | 3885                  |
| ii) Undisputed trade receivable - which have significant increase in credit risk | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| iii) Undisputed trade receivable - Credit impaired                               | -                                                          | -            | 1                  | -                 | -                 | -         | -                       | -                              | 1                     |
| iv) Disputed trade receivable - considered good                                  | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| v) Disputed trade receivable - which have significant increase in credit risk    | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| vi) Disputed trade receivable - Credit impaired                                  | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| <b>Total</b>                                                                     | <b>1,081</b>                                               | <b>2,804</b> | <b>1</b>           | <b>-</b>          | <b>^</b>          | <b>-</b>  | <b>-</b>                | <b>^</b>                       | <b>3886</b>           |

Less : Allowance for doubtful trade receivables

(1)

3,885

### Trade receivables - Unbilled

123

4,008

### Ageing for trade receivables outstanding as at 31 March, 2022 is as follows:

| Particulars                                                                      | Outstanding for following periods from due date of payment |              |                    |                   |                   |           |                         | Expected credit loss allowance | Net trade receivables |
|----------------------------------------------------------------------------------|------------------------------------------------------------|--------------|--------------------|-------------------|-------------------|-----------|-------------------------|--------------------------------|-----------------------|
|                                                                                  | Not due                                                    | < 6 months   | 6 months to 1 year | 1 year to 2 years | 2 year to 3 years | > 3 years | Gross trade receivables |                                |                       |
| i) Undisputed trade receivable - considered good                                 | 799                                                        | 2,618        | 1                  | -                 | -                 | -         | -                       | -                              | 3418                  |
| ii) Undisputed trade receivable - which have significant increase in credit risk | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| iii) Undisputed trade receivable - Credit impaired                               | -                                                          | -            | 2                  | 2                 | ^                 | ^         | -                       | -                              | 4                     |
| iv) Disputed trade receivable - considered good                                  | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| increase in credit risk                                                          | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| vi) Disputed trade receivable - Credit impaired                                  | -                                                          | -            | -                  | -                 | -                 | -         | -                       | -                              | -                     |
| <b>Total</b>                                                                     | <b>799</b>                                                 | <b>2,618</b> | <b>3</b>           | <b>2</b>          | <b>^</b>          | <b>-</b>  | <b>-</b>                | <b>-</b>                       | <b>3422</b>           |

Less : Allowance for doubtful trade receivables

(4)

3,418

### Trade receivables - Unbilled

77

3,495

Trade receivables have been offered as security against the working capital facilities provided by the banks (refer note 34).



**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**9. Loan receivable**

| Particulars                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------|------------------------|------------------------|
| <b>Non-current</b>                          |                        |                        |
| Unsecured, considered good* (refer note 27) | 1                      | 1,366                  |
| Unsecured, credit impaired                  | 28                     | 28                     |
| Employee advances                           | -                      | 4                      |
| Less: Loss allowance                        | (28)                   | (28)                   |
|                                             | <b>1</b>               | <b>1,370</b>           |

\*Loan given to related party ILSL Holdings Inc carries interest @ 90 days average SOFR (Secured overnight financing rate) + 5.80% and the tenure of the loan is 5 years

During the current year, the Company, pursuant to loan conversion agreement dated 10 January 2023, has converted the loan to ILSL Holdings Inc, amounting to ₹1481 (USD 18,000,000) into 66,250 common stock (USD 0.0001 per share). The interest amount accrued upto the date of conversion has been received. Consequent to this conversion, there are no unsecured loan outstanding from ILSL Holdings Inc, as on 31 March 2023.

\*Loan given to related party Indegene Lifesystems Consulting (Shanghai) Co. Ltd carries interest @ 8% per annum (compounded annually). The loans has been given to this subsidiary in the normal course of business for its operations.

**10. Other financial assets**

(unsecured considered good, unless otherwise stated)

| Particulars                                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------|------------------------|------------------------|
| <b>Non-current</b>                                          |                        |                        |
| Security deposits                                           | 67                     | 81                     |
|                                                             | <b>67</b>              | <b>81</b>              |
| <b>Current</b>                                              |                        |                        |
| (unsecured considered good, unless otherwise stated)        |                        |                        |
| Security deposits                                           | 29                     | ^                      |
| Advance to employees                                        | 8                      | -                      |
| Interest earned but not due                                 | 8                      | 5                      |
| Derivative asset                                            | -                      | 9                      |
| Others*                                                     | 153                    | -                      |
| Receivable from other parties                               | 10                     | -                      |
| Receivable from related parties (refer note 27)             | 164                    | 19                     |
| Goods and Service tax refund receivable                     | 24                     | -                      |
| Less: Provision for doubtful receivables from related party | (5)                    | (5)                    |
|                                                             | <b>391</b>             | <b>28</b>              |
|                                                             | <b>458</b>             | <b>109</b>             |

\*The company has incurred an expenditure of ₹ 153 Mn towards proposed initial public offer which has been classified as "Other current financial assets". The Company expects to recover certain amounts from the existing shareholders (as per the offer agreement) and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

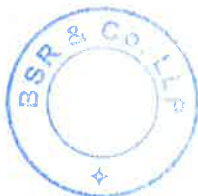
**11. Other assets**

| Particulars                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------|------------------------|------------------------|
| <b>Non-current</b>                  |                        |                        |
| Prepaid expenses                    | 3                      | 1                      |
|                                     | <b>3</b>               | <b>1</b>               |
| <b>Current</b>                      |                        |                        |
| Prepaid expenses                    | 285                    | 229                    |
| Advance to vendors                  | 12                     | 2                      |
| Balance with government authorities | 105                    | 4                      |
|                                     | <b>402</b>             | <b>235</b>             |

**12. Cash and bank balances**

| Particulars                                                                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Balances with banks</b>                                                                   |                        |                        |
| In current accounts                                                                          | 418                    | 278                    |
| Cash in hand                                                                                 | ^                      | ^                      |
|                                                                                              | <b>418</b>             | <b>278</b>             |
| <b>Other Bank balances</b>                                                                   |                        |                        |
| Bank deposits with original maturity of more than three months but less than twelve months * | 122                    | 110                    |
|                                                                                              | <b>122</b>             | <b>110</b>             |

\*The deposits amounting to ₹38 (2022: ₹109) are held as lien against facilities from banks and ₹ 1 (2022: ₹1) as bank guarantee given to Software Technology Park of India.



### 13. Share capital and other equity

#### 13(a). Share capital

| Particulars                                                                               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised</b>                                                                         |                        |                        |
| 400,000,000 (2022: 2,500,000) equity shares of par value ₹ 2 each                         | 800                    | 5                      |
| Nil (2022: 7,950,000) optionally convertible preference shares of par value of ₹ 100 each | -                      | 795                    |
|                                                                                           | <b>800</b>             | <b>800</b>             |
| <b>Issued, subscribed and fully paid up</b>                                               |                        |                        |
| 221,475,114 (2022: 1,754,085) equity shares of ₹ 2 each                                   | 443                    | 4                      |
|                                                                                           | <b>443</b>             | <b>4</b>               |

#### Rights, preferences and restrictions attached to equity shares

As per the memorandum of association, the Holding Company's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Holding Company.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### A) Reconciliation of the number of equity shares outstanding at the beginning and end of the year:

| Particulars                                     | As at 31 March 2023 |            | As at 31 March 2022 |          |
|-------------------------------------------------|---------------------|------------|---------------------|----------|
|                                                 | Number of shares    | Amount     | Number of shares    | Amount   |
| Shares outstanding at the beginning of the year | 17,54,085           | 4          | 15,66,965           | 3        |
| Bonus shares issued                             | 21,93,11,875        | 438        | -                   | -        |
| Shares issued during the year                   | 4,09,154            | 1          | 1,87,520            | 4        |
| Shares bought back as treasury shares           | -                   | -          | (400)               | 1        |
| <b>Shares outstanding as at 31 March 2023</b>   | <b>22,14,75,114</b> | <b>443</b> | <b>17,54,085</b>    | <b>4</b> |

Pursuant to resolution passed by the shareholders of the Company on 06 July 2022 the Company has allotted by way of bonus issue to its shareholders shares in the ratio of 1:125 on 06 July 2022.

#### B) Details of shareholders having more than 5% equity interest in the Company

| Name of shareholder            | As at 31 March 2023 |           | As at 31 March 2022 |           |
|--------------------------------|---------------------|-----------|---------------------|-----------|
|                                | Number of shares    | % holding | Number of shares    | % holding |
| <b>Equity shares</b>           |                     |           |                     |           |
| Dr.Rajesh B.Nair               | 2,03,01,204         | 9.17%     | 1,72,269            | 9.80%     |
| Mr.Manish Gupta                | 2,25,75,672         | 10.19%    | 1,79,172            | 10.20%    |
| Sanjay S Parikh                | 1,19,91,672         | 5.41%     | 95,172              | 5.42%     |
| Nadathur Fareast Pte. Ltd      | 5,27,00,256         | 23.80%    | 4,72,856            | 26.91%    |
| CA Dawn Investments            | 4,60,68,750         | 20.80%    | 3,65,625            | 20.81%    |
| BPC Genesis Fund I SPV, Ltd.   | 1,78,94,772         | 8.08%     | 1,42,022            | 8.10%     |
| BPC Genesis Fund I-A SPV, Ltd. | 92,81,916           | 4.19%     | 73,666              | 4.20%     |

#### C) Shareholding of Promoters : NIL

D) During the five years immediately preceding 31 March 2023, neither any shares have been bought back nor any shares have been issued for consideration other than cash. Pursuant to resolution passed by the shareholders of the Company on 06 July 2022 the Company has allotted by way of bonus issue to its shareholders shares in the ratio of 1:125 on 06 July 2022.

#### E) Employee share-based compensation

Employees covered under Employee Stock Option Plans and Restricted Stock Unit (RSU) Option Plans (collectively "stock option plans") are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of three to five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option.

The stock compensation cost is computed under the Fair value method and amortized on accelerated vesting period. The intrinsic value on the date of grant approximates the fair value. For the year ended 31 March 2023, the Company has recorded stock compensation expense of ₹ 40 (2022 : ₹ 38)

The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans are tabulated below.

A summary of the general terms of grants under stock option plans and restricted stock unit option plans are as follows:

| Name of the plan                                    | Authorised shares | Range of exercise price |
|-----------------------------------------------------|-------------------|-------------------------|
| Employee Stock Option Scheme 2007 (ESOP 2007)       | 75,000            | ₹ 50                    |
| Employee Restricted Stock Unit Plan 2015 (RSU 2015) | 46,302            | ₹ 50                    |
| Employee Restricted Stock Unit Plan 2020 (RSU 2020) | 58,582            | ₹ 2                     |
| Employee Stock Option Plan 2020 (ESOP 2020)         | 10,000            | FMV as on date of grant |



VY.

**Note 13: Share capital and other equity (Continued)**

The following is the summary of the movement in Employee Stock Option Scheme 2007 (ESOP 2007) during the year:

The Company instituted the Employee Stock Option (ESOP 2007) Plan on September 2007, which provided for the issue of maximum 75,000 equity shares to employees. The following grants have been made pursuant to the ESOP 2007 Plan at an exercise price of ₹ 50 per share plus tax.

| Particulars                                      | Year ended 31 March 2023 |                                 | Year ended 31 March 2022 |                                 |
|--------------------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                                  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | -                        | 50.00                           | 1,800                    | 50.00                           |
| Options granted during the year(ESOP)            | -                        | 50.00                           | -                        | 50.00                           |
| Options exercised during the year                | -                        | 50.00                           | (1,800)                  | 50.00                           |
| Options forfeited during the year                | -                        | 50.00                           | -                        | 50.00                           |
| <b>Options outstanding at the end of year</b>    | -                        | <b>50.00</b>                    | -                        | <b>50.00</b>                    |
| Options exercisable                              | -                        | -                               | -                        | -                               |

The following is the summary of the movement in Employee Restricted Stock Unit Plan 2015 (RSU 2015) during the year:

The Company instituted the employee Restricted Stock Unit (RSU 2015) Plan, 2015 on 4 June 2015, which provided for the issue of maximum 46,302 equity shares to employees. The Company does not propose any further issue under the RSU 2015 plan and the following grants have been made pursuant to the RSU 2015 Plan at an exercise price of ₹ 50 per share plus tax.

| Particulars                                      | Year ended 31 March 2023 |                                 | Year ended 31 March 2022 |                                 |
|--------------------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                                  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | 1,995                    | 50.00                           | 5,802                    | 50.00                           |
| Options exercised during the year                | (410)                    | 50.00                           | -                        | 50.00                           |
| Options forfeited during the year                | (207)                    | 50.00                           | -                        | 50.00                           |
| Bonus shares issued during the year              | 1,72,250                 | 50.00                           | -                        | 50.00                           |
| Options granted during the year(RSU)             | -                        | 50.00                           | -                        | 50.00                           |
| Options exercised during the year                | (1,56,240)               | 50.00                           | (3,602)                  | 50.00                           |
| Options forfeited during the year                | (17,388)                 | 50.00                           | (205)                    | 50.00                           |
| <b>Options outstanding at the end of year</b>    | -                        | <b>50.00</b>                    | <b>1,995</b>             | <b>50.00</b>                    |
| Options exercisable                              | -                        | 50.00                           | 1,015                    | 50.00                           |

The following is the summary of the movement in Employee Restricted Stock Unit Plan 2020 (RSU 2020) during the year:

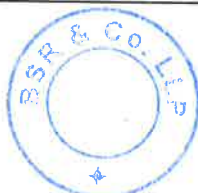
The Company instituted the employee Restricted Stock Unit Plan 2020' ("RSU 2020") on 13 November 2020 which was amended on 28 December 2020, which provides for the issue of maximum 5,849,250 equity shares to employees at an exercise price of ₹ 2 per share plus tax.

| Particulars                                      | Year ended 31 March 2023 |                                 | Year ended 31 March 2022 |                                 |
|--------------------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                                  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | 12,865                   | 2.00                            | 16,582                   | 2.00                            |
| Options forfeited during the year                | (50)                     | 2.00                            | (818)                    | 2.00                            |
| Bonus shares issued during the year              | 16,01,875                | 2.00                            | -                        | -                               |
| Options granted during the year(RSU)             | 4,83,236.00              | 2.00                            | 3,092                    | 2.00                            |
| Options exercised during the year                | (2,52,504.00)            | 2.00                            | (5,991)                  | 2.00                            |
| <b>Options outstanding at the end of year</b>    | <b>18,45,422</b>         | <b>2.00</b>                     | <b>12,865</b>            | <b>2.00</b>                     |
| Options exercisable                              | 1,77,912                 | 2.00                            | 50                       | 2.00                            |

The following is the summary of the movement in Employee Stock Option Plan 2020 (ESOP 2020) during the year:

The Company instituted the Employee Stock Option Plan 2020' ("ESOP 2020") plan on 13 November 2020 which was amended on 28 December 2020, which provides for the issue of maximum 6,014,543 equity shares to employees at an exercise price equivalent to the fair market value of the shares of the Company as on date of the grant of the options plus tax.

| Particulars                                      | Year ended 31 March 2023 |                                 | Year ended 31 March 2022 |                                 |
|--------------------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                                  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | 3,645                    | 20,935.18                       | 811                      | 18,332.59                       |
| Bonus shares issued during the year              | 4,55,625                 | 346.74                          | -                        | -                               |
| Options granted during the year(ESOP)            | 6,65,058                 | 215.45                          | 3,060                    | 20,935.18                       |
| Options granted during the year(ESOP)            | 3,41,838                 | 164.53                          | -                        | -                               |
| Options exercised during the year                | -                        | 346.74                          | -                        | 20,935.18                       |
| Options forfeited during the year                | (30,366)                 | 145.50                          | -                        | -                               |
| Options forfeited during the year                | (68,418)                 | 167.48                          | -                        | -                               |
| Options forfeited during the year                | (49,212)                 | 215.45                          | (226)                    | 20,935.18                       |
| <b>Options outstanding at the end of year</b>    | <b>13,18,170</b>         | <b>215.45</b>                   | <b>3,645</b>             | <b>20,935.18</b>                |
| Options exercisable                              | 1,20,078                 | 166.15                          | 203                      | 20,935.18                       |





**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**Note 13: Share capital and other equity (Continued)**

During the year ended 31 March 2023 and 31 March 2022, the weighted average grant date fair value under the RSU 2020 was 344.74 and 166.14, respectively. During the year ended 31 March 2023 and 31 March 2022, the weighted average grant date fair value under the ESOP 2020 was 198.16 and 64.94, respectively. Effective from 2014, Indegene allocates the subsidiaries for the employee stock option plan cost pertaining to the employees of the subsidiaries.

Information on outstanding options is set out below.

| Particulars                                                      | As at         | As at         |
|------------------------------------------------------------------|---------------|---------------|
|                                                                  | 31 March 2023 | 31 March 2022 |
| <i>Options outstanding at the end of the year</i>                |               |               |
| Number of options outstanding                                    | 31,63,592     | 24,995        |
| Weighted average remaining contractual life in years             | 1.82          | 2.23          |
| Weighted average remaining contractual life in years (ESOP 2020) | 5.95          | 11.47         |
| Weighted average exercise price (in ₹)                           | 2.00          | 50.00         |

The following tables list the inputs to the models used for ESOP plans for the year ended 31 March 2023 and 31 March 2022 respectively:

| Particulars                                       | As at                        | As at                        |
|---------------------------------------------------|------------------------------|------------------------------|
|                                                   | 31 March 2023                | 31 March 2022                |
| <i>Options outstanding at the end of the year</i> |                              |                              |
| Dividend yield (%)                                | 0.00%                        | 0.00%                        |
| Expected volatility (%)                           | 39.36% - 41.14%              | 35.50%                       |
| Risk-free interest rate (%)                       | 3.59% - 3.63%                | 1.30%                        |
| Model used                                        | Black Scholes Option Pricing | Black Scholes Option Pricing |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

There are no non market performance conditions existing as at 31 March 2023 and 31 March 2022.

**13(b). Other equity**

| Particulars                               | As at         | As at         |
|-------------------------------------------|---------------|---------------|
|                                           | 31 March 2023 | 31 March 2022 |
| <b>Reserves and surplus</b>               |               |               |
| Securities premium reserve                | 2,399         | 2,809         |
| Share based payment reserve               | 178           | 58            |
| Retained earnings                         | 4,938         | 3,629         |
| Share application money pending allotment | -             | -             |
| Foreign currency translation reserve      | (5)           | -             |
|                                           | <b>7,510</b>  | <b>6,496</b>  |

**Nature and purpose of other equity***Securities premium reserve*

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

*Share based payment reserve*

Share based payment reserve is used to recognise the grant date fair value of options issued to employees under various ESOP and RSU plans.

*Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed off.

*Retained earnings*

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Standalone Statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

**13(c). Shares pending issuance**

The Company on 29 January 2021 entered into Share Subscription Agreement ('SSA') with CA Dawn Investments, BPC Genesis Fund I SPV, Ltd and BPC Genesis Fund I-A SPV, Ltd (collectively referred as 'Investors') in respect of raising funds. The condition precedent to the SSA was completed on 15 April 2021, upon which the Company issued 72,927 equity shares to investors. As at 31 March 2021 these shares were shown as shares pending issuance in standalone financials.

The Company has received cash application money during the month of March 2023 and the allotment is done against the same in the month of April 2023, upon which the Company has issued 900 equity shares. As at 31 March 2023 these shares were shown as shares pending issuance in these Standalone financial statements.





**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**14. Other financial liabilities**

| Particulars                                                                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Current</b>                                                                              |                        |                        |
| Derivative liability                                                                        | 18                     | -                      |
| Accrued compensation to employees                                                           | 519                    | 408                    |
| Capital Creditors                                                                           |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 17a) | 11                     | -                      |
| Total outstanding dues of creditors other than micro enterprises and small enterprises      | -                      | 4                      |
| Intercompany payable (refer note 27)                                                        | 53                     | 48                     |
| Others                                                                                      | 9                      | 12                     |
| <b>Total</b>                                                                                | <b>610</b>             | <b>472</b>             |

**15. Provisions**

| Particulars                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------|------------------------|------------------------|
| <b>Non-current</b>                          |                        |                        |
| <b>Provision for employee benefits:</b>     |                        |                        |
| Provision for gratuity (refer note 24)      | 350                    | 265                    |
|                                             | <b>350</b>             | <b>265</b>             |
| <b>Current</b>                              |                        |                        |
| <b>Provision for employee benefits:</b>     |                        |                        |
| Provision for gratuity (refer note 24)      | 26                     | 23                     |
| Provision for employee compensated absences | 298                    | 211                    |
|                                             | <b>324</b>             | <b>234</b>             |
| <b>Total</b>                                | <b>674</b>             | <b>499</b>             |

**16. Other liabilities**

| Particulars            | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------|------------------------|------------------------|
| <b>Current</b>         |                        |                        |
| Unearned revenue       | 70                     | 164                    |
| Advance from customers | 2                      | 5                      |
| Others                 | -                      | 12                     |
| Statutory payables     | 234                    | 153                    |
|                        | <b>306</b>             | <b>334</b>             |

**17. Trade payables**

| Particulars                                                                                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 17a) | 11                     | 10                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises      | 234                    | 248                    |
|                                                                                             | <b>245</b>             | <b>258</b>             |

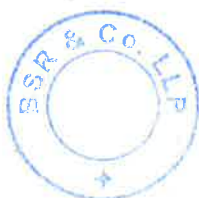
Ageing for trade payables outstanding as at 31 March, 2023 is as follows:

| Particulars                                                          | Outstanding for following periods from due date of payment |                  |           |           |                   | Total     |
|----------------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|-----------|
|                                                                      | Not due                                                    | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |           |
| Outstanding dues of micro and small enterprises                      | 11                                                         | -                | -         | -         | -                 | 11        |
| Outstanding dues of creditors other than micro and small enterprises | 11                                                         | 2                | -         | -         | -                 | 13        |
| Disputed dues of micro and small enterprises                         | -                                                          | -                | -         | -         | -                 | -         |
| Disputed dues of creditors other than micro and small enterprises    | -                                                          | -                | -         | -         | -                 | -         |
| <b>Total</b>                                                         | <b>22</b>                                                  | <b>2</b>         | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>24</b> |

Accrued expenses

221

245



**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing for trade payables outstanding as at 31 March, 2022 is as follows:

| Particulars                                                          | Outstanding for following periods from due date of payment |                  |           |           |                   | Total     |
|----------------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|-----------|
|                                                                      | Not due                                                    | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |           |
| Outstanding dues of micro and small enterprises                      | 10                                                         | -                | -         | -         | -                 | 10        |
| Outstanding dues of creditors other than micro and small enterprises | 8                                                          | 1                | -         | -         | -                 | 9         |
| Disputed dues of micro and small enterprises                         | -                                                          | -                | -         | -         | -                 | -         |
| Disputed dues of creditors other than micro and small enterprises    | -                                                          | -                | -         | -         | -                 | -         |
| <b>Total</b>                                                         | <b>18</b>                                                  | <b>1</b>         | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>19</b> |

Accrued expenses

239

258

**17a. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006"**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2022 and 31 March 2021, has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006").

| Particulars                                                                                                                                                                                                                        | 31 March 2023 | 31 March 2022 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| The amounts remaining unpaid to micro and small suppliers as at the end of the accounting year                                                                                                                                     |               |               |
| – Principal *                                                                                                                                                                                                                      | 22            | 10            |
| – Interest                                                                                                                                                                                                                         | -             | -             |
| The amount of interest paid by the buyer as per the MSMED Act, 2006                                                                                                                                                                | -             | -             |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year                                                                                                                 | 8             | 14            |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006               | -             | -             |
| The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                             | ^             | ^             |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles | ^             | ^             |

\* Includes ₹ 11 (2022: Nil) for purchase of property, plant and equipment.

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**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**18. Revenue from operations**

| Particulars                         | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from rendering of services* | 10,057                              | 8,367                               |
|                                     | <b>10,057</b>                       | <b>8,367</b>                        |

\* Includes revenue from related parties ₹ 8,393 (31 March 2022 : ₹ 7,043).

The below table represents disaggregated services revenue from contract with customers by contract type and customer geographies for each segment for the years ended 31 March 2023 and 31 March 2022.

| Year ended 31 March 2023     | North America* | Europe     | India      | Rest of the world | Total         |
|------------------------------|----------------|------------|------------|-------------------|---------------|
| Fixed price and volume based | 228            | 910        | 357        | 120               | 1,615         |
| Time and Material            | 8,347          | 49         | -          | 46                | 8,442         |
|                              | <b>8,575</b>   | <b>959</b> | <b>357</b> | <b>166</b>        | <b>10,057</b> |
| Year ended 31 March 2022     | North America* | Europe     | India      | Rest of the world | Total         |
| Fixed price and volume based | 122            | 717        | 333        | 97                | 1,269         |
| Time and Material            | 7,011          | 46         | -          | 41                | 7,098         |
|                              | <b>7,133</b>   | <b>763</b> | <b>333</b> | <b>138</b>        | <b>8,367</b>  |

\*Includes revenues from United States of America ₹ 8,568 (2022: ₹ 7,110)

During the year ended 31 March 2023 and 31 March 2022, ₹ 73 and ₹ 82 of unbilled revenue pertaining to fixed price and fixed time frame contracts as of 01 April 2022 and 1 April 2021, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

During the year ended 31 March 2023 and 31 March 2022, the Company recognized revenue of ₹ 146 and ₹ 119 arising from opening unearned revenue as of 1 April 2022 and 1 April 2021, respectively

**18A. Other income**

| Particulars                                                                         | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest income                                                                     | 113                                 | 63                                  |
| Exchange gain on foreign exchange fluctuation (net)                                 | 186                                 | 157                                 |
| Net gain on disposal / fair valuation of investments carried through profit or loss | 69                                  | 50                                  |
| Miscellaneous income                                                                | -                                   | 2                                   |
| Dividend income                                                                     | -                                   | 6                                   |
|                                                                                     | <b>368</b>                          | <b>278</b>                          |

**19. Employee benefits**

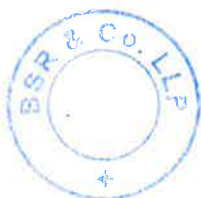
| Particulars                                                    | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries and bonus                                             | 6,348                               | 4,677                               |
| Contribution to provident fund and other funds (refer note 24) | 337                                 | 241                                 |
| Gratuity and other defined plans                               | 224                                 | 239                                 |
| Staff welfare                                                  | 63                                  | 65                                  |
| Share-based compensation (refer note 13a)                      | 40                                  | 38                                  |
|                                                                | <b>7,012</b>                        | <b>5,260</b>                        |

**20. Finance costs**

| Particulars                                             | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on others                              | 20                                  | 10                                  |
| Interest expense on lease liabilities (refer to note 7) | 39                                  | 17                                  |
| Bank and other incidental charges                       | 5                                   | 3                                   |
|                                                         | <b>64</b>                           | <b>30</b>                           |

**20A. Depreciation and amortisation expense**

| Particulars                                                                                         | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation and amortization on property, plant and equipment and intangible assets (refer note 4) | 169                                 | 127                                 |
| Amortization of right-of-use assets (refer to note 7)                                               | 148                                 | 109                                 |
|                                                                                                     | <b>317</b>                          | <b>236</b>                          |



**21. Other expenses**

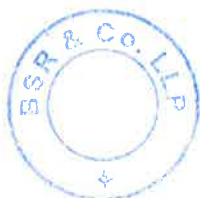
| Particulars                                              | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------------------------------------------|-------------------------------------|-------------------------------------|
| Sub-contracting / technical fees                         | 364                                 | 762                                 |
| Travelling and conveyance                                | 164                                 | 24                                  |
| Rent                                                     | 16                                  | 32                                  |
| Repairs and maintenance                                  |                                     |                                     |
| Computer consumables                                     | 166                                 | 142                                 |
| Office maintenance                                       | 47                                  | 42                                  |
| Others                                                   | 9                                   | 37                                  |
| Legal and professional fee (refer note (21A) below)      | 148                                 | 106                                 |
| Recruitment charges                                      | 39                                  | 76                                  |
| Communication charges                                    | 13                                  | 17                                  |
| Subscription and periodicals                             | 187                                 | 81                                  |
| Insurance                                                | 8                                   | 8                                   |
| Provision/(reversals) for doubtful debts and advance     | (3)                                 | -                                   |
| Electricity and water                                    | 14                                  | 11                                  |
| Rates and taxes                                          | 3                                   | 24                                  |
| Corporate social responsibility expenses (refer note 30) | 28                                  | 21                                  |
| Miscellaneous                                            | 63                                  | 37                                  |
|                                                          | <b>1,266</b>                        | <b>1,420</b>                        |

**21A. Payment to auditors (excluding goods and services tax)\***

| Particulars          | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------|-------------------------------------|-------------------------------------|
| <b>As auditor:</b>   |                                     |                                     |
| Statutory audit      | 7                                   | 2                                   |
| Tax audit            | ^                                   | ^                                   |
| Attestation services | ^                                   | ^                                   |
|                      | <b>7</b>                            | <b>2</b>                            |

\* Excluding ₹ 22 Mn (31 March 2022: Nil) towards attest services in connection with Initial Public Offering (refer note 10)

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**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**22. Financial instruments**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Group, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------------|------------------------|------------------------|
| <b>Financial assets</b>                    |                        |                        |
| <b>FVTPL</b>                               |                        |                        |
| Derivative financial assets                | -                      | 9                      |
| Investments                                | 1,688                  | 1,199                  |
|                                            | <b>1,688</b>           | <b>1,208</b>           |
| <b>Amortised cost</b>                      |                        |                        |
| Trade receivables and unbilled receivables | 4,008                  | 3,418                  |
| Cash and bank balances                     | 418                    | 278                    |
| Bank balances other than above             | 122                    | 110                    |
| Security deposits                          | 96                     | 81                     |
| Loan                                       | 1                      | 1,370                  |
| Other financial assets                     | 362                    | 19                     |
|                                            | <b>5,007</b>           | <b>5,276</b>           |
| <b>Total financial assets</b>              | <b>6,695</b>           | <b>6,484</b>           |
| <b>Financial liabilities</b>               |                        |                        |
| <b>FVTPL</b>                               |                        |                        |
| Derivative financial liabilities           | 18                     | -                      |
|                                            | <b>18</b>              | <b>-</b>               |
| <b>Amortised cost</b>                      |                        |                        |
| Lease liabilities                          | 511                    | 438                    |
| Trade payables                             | 245                    | 258                    |
| Other financial liabilities                | 592                    | 472                    |
|                                            | <b>1,348</b>           | <b>1,168</b>           |
| <b>Total financial liabilities</b>         | <b>1,366</b>           | <b>1,168</b>           |

**Notes:**

The fair value of cash and cash equivalents, trade receivables, unbilled receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company long-term debt has been hedged via an Interest Rate swap. Accordingly, the carrying value of such long-term debt approximates fair value.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

**Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 during the year ended 31 March 2023 and 31 March 2022.

The carrying values of financial instruments such as short-term trade receivables and payables, reasonably approximates to fair value and hence separate disclosure of the fair values are not made.

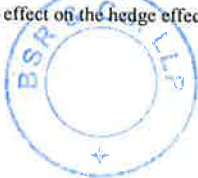
**As at 31 March 2023**

| Particulars                            | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------------|---------|---------|---------|-------|
| <b>Assets</b>                          |         |         |         |       |
| Investments (other than in subsidiary) | 1,688   | -       | -       | 1,688 |
| <b>Liabilities</b>                     |         |         |         |       |
| Derivative instruments                 | -       | 18      | -       | 18    |

**As at 31 March 2022**

| Particulars                            | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------------|---------|---------|---------|-------|
| <b>Assets</b>                          |         |         |         |       |
| Derivative instruments                 | -       | 9       | -       | 9     |
| Investments (other than in subsidiary) | 1,199   | -       | -       | 1,199 |

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing, swap models and Black Scholes models (for option valuation), using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying. As at 31 March 2023 and 31 March 2022, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.





**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**22(a). Financial risk management**

The Company has exposure to the credit, liquidity and market risks from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in these standalone financial statements.

**Risk management framework**

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their rules and obligations.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. Refer Note 8 for movement in expected credit loss allowance.

**(a) Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The majority of the revenue of the Company is derived from customers located in North America, European Union & Asia region. The Company derives significant portion of its revenue from a limited number of customers. The following table gives details in respect of percentage of revenue generated from top customer and top ten customers excluding related party.

|                     | Revenue from top customer | %     | Revenue from top ten customers | %     |
|---------------------|---------------------------|-------|--------------------------------|-------|
| As at 31 March 2023 | 520                       | 31.29 | 1439                           | 86.50 |
| As at 31 March 2022 | 319                       | 26.76 | 1160                           | 97.30 |

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and deliver terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. The Company analyses trade receivables periodically and allowances for doubtful receivables are created on a customer specific basis if required.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents with banks which have high credit-ratings assigned by domestic credit-rating agencies.

**Financial assets that are past due but not impaired**

The Company's credit period is generally 75 to 90 days. The ageing analysis of the trade receivables has been considered from the date the invoice falls due. The age wise break up of receivables, net of allowances that are past due, is given below:

| Particulars                                             | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------------------------|------------------------|------------------------|
| Financial assets that are neither past due nor impaired | 1,081                  | 799                    |
| Financial assets that are past due but not impaired     |                        |                        |
| Past due 0-30 days                                      | 641                    | 25                     |
| Past due 31-90 days                                     | 690                    | 1360                   |
| Past due 91-365 days                                    | 1,473                  | 1234                   |
| More than 1 year                                        | -                      | -                      |
|                                                         | <b>3,885</b>           | <b>3,418</b>           |

The Company believes that the unimpaired amount that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of 31 March 2023, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities, including the estimated interest payments, at the reporting date.

**As at 31 March 2023**

| Contractual cash flows      | Carrying value | 6 months or less | 6 months to 1 year | More than one year | Total |
|-----------------------------|----------------|------------------|--------------------|--------------------|-------|
| Trade payables              | 245            | 245              | -                  | -                  | 245   |
| Lease liabilities           | 511            | 91               | 72                 | 423                | 586   |
| Other financial liabilities | 610            | 610              | -                  | -                  | 610   |



**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**As at 31 March 2022**

| Contractual cash flows      | Carrying value | 6 months or less | 6 months to 1 year | More than one year | Total |
|-----------------------------|----------------|------------------|--------------------|--------------------|-------|
| Trade payables              | 248            | 248              | -                  | -                  | 248   |
| Lease liabilities           | 438            | 57               | 77                 | 376                | 511   |
| Other financial liabilities | 472            | 472              | -                  | -                  | 472   |

Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**(iii) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

**(a) Foreign currency risk**

The Company operates internationally and a major portion of its business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through receiving payment for sales and services in the India and elsewhere, and making purchases from overseas suppliers in various foreign currencies. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. A significant portion of the Company's revenue is in the U.S. Dollar and the Euro, while a large portion of costs are in Indian rupees. The exchange rate between the rupee and these currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Appreciation of the rupee against these currencies can adversely affect the Company's results of operations.

The Company evaluates exchange rate exposure arising from these transactions and enters into foreign currency derivative instruments to mitigate such exposure. The Company follows established risk management policies, including the use of derivatives like foreign exchange forward/option contracts to hedge forecasted cash flows denominated in foreign currency.

The below table presents foreign currency risk from non-derivative financial instruments as of 31 March 2023 and 31 March 2022:

**As at 31 March 2023**

| Particulars                 | USD          | EURO       | Others*    |
|-----------------------------|--------------|------------|------------|
| Trade payables              | 17           | 3          | 3          |
| Trade receivables           | 3,658        | 74         | 89         |
| Cash and Bank balances      | 17           | 24         | 18         |
| Other financial liabilities | 87           | 13         | 22         |
| Other financial assets      | 295          | 1          | 56         |
|                             | <b>4,074</b> | <b>115</b> | <b>188</b> |

**As at 31 March 2022**

| Particulars                 | USD          | EURO      | Others*   |
|-----------------------------|--------------|-----------|-----------|
| Trade payables              | 6            | 5         | 3         |
| Trade receivables           | 3,202        | 46        | 59        |
| Cash and Bank balances      | 116          | 7         | 10        |
| Other financial liabilities | 48           | 33        | -         |
| Other financial assets      | 1,481        | 0         | 6         |
|                             | <b>4,853</b> | <b>91</b> | <b>78</b> |

Others\* includes GBP, CAD, CHF, JPY, TWD, SGD, RMB

As at 31 March 2023 and 31 March 2022, respectively, every 1% increase/decrease of the USD and EURO currencies compared to functional currency of the Company would impact results by approximately ₹ 5 and ₹ 6 respectively.

**(b) Interest rate risk**

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Certain borrowings are also transacted at fixed interest rates. If interest rates were to increase by 75 bps from 31 March 2023, additional net annual interest expense on floating rate borrowing would amount to approximately Nil(2022: Nil).

**23. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital is managed to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure.

In order to achieve this overall objective, the Company capital management amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. As on balance sheet date there is no net debt.



**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**24. Employee benefits :**

The Company has classified various benefits provided to employees as under :

**Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance and labour welfare fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Standalone statement of profit and loss. The amount recognised as an expense towards contribution to provident fund, ESI and labour welfare fund are as follows:

| Particulars         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------|------------------------|------------------------|
| Provident fund      | 336                    | 241                    |
| Labour Welfare Fund | ^                      | ^                      |
| ESI contribution    | ^                      | ^                      |
|                     | <b>337</b>             | <b>241</b>             |

**Defined benefit plan**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company. Under the Company's gratuity scheme every employee who has completed 5 years or more of service, is eligible for gratuity on separation, worked out at 15 days salary (last drawn salary) for each completed year of service. There is no defined benefit plan applicable to the employees of the foreign subsidiary.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The following table sets out the status of the Gratuity Plan as required under Ind AS 19 - Employee Benefits and amounts recognised in the Standalone Financial Information:

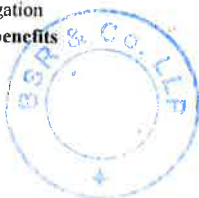
| Particulars                                                                                                     | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>i. Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b> |                        |                        |
| <b>Balance at the beginning of the year</b>                                                                     |                        |                        |
| Current service cost                                                                                            | 287                    | 133                    |
| Interest cost on obligation                                                                                     | 104                    | 74                     |
| Benefits paid                                                                                                   | 20                     | 9                      |
| Past service cost                                                                                               | (25)                   | (16)                   |
| Remeasurement loss / (gains)                                                                                    |                        | 52                     |
| - Actuarial loss / (gain) arising from financial assumptions                                                    | (16)                   | (17)                   |
| - Actuarial loss / (gain) arising from demographic assumptions                                                  | (1)                    | (2)                    |
| - Actuarial loss / (gain) arising from experience assumptions                                                   | 7                      | 54                     |
| <b>Defined benefit obligation at the end of the year</b>                                                        | <b>376</b>             | <b>287</b>             |

**Note:**

Profit / (Loss) of ₹ 7 and ₹ (28) on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the years ended 31 March 2023 and 31 March 2022, respectively.

| Particulars                                                                                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>ii. Reconciliation of present value of the obligation and the fair value of the plan assets:</b> |                        |                        |
| Fair value of plan assets at the end of the year                                                    | -                      | -                      |
| Present value of the defined benefit obligations at the end of the year                             | 376                    | 287                    |
| <b>Liability recognized in balance sheet</b>                                                        | <b>376</b>             | <b>287</b>             |
| Current                                                                                             | 26                     | 22                     |
| Non-current                                                                                         | 350                    | 265                    |

| Particulars                                                                                            | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>iii. Amount recognized in the Statement of Profit and Loss in respect of defined benefit plans:</b> |                                     |                                     |
| Current service cost                                                                                   | 104                                 | 74                                  |
| Past service cost                                                                                      | -                                   | 52                                  |
| Net Interest cost on defined benefit obligation                                                        | 20                                  | 9                                   |
| <b>Total expenses included in employee benefits</b>                                                    | <b>124</b>                          | <b>135</b>                          |



**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

| Particulars                                                                                         | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>iv. Amount recognized in the Other Comprehensive Income in respect of defined benefit plans:</b> |                                     |                                     |
| Remeasurement loss /(gains)                                                                         |                                     |                                     |
| - Actuarial loss /(gain) arising from financial assumptions                                         | (16)                                | (17)                                |
| - Actuarial loss /(gain) arising from demographic assumptions                                       | (1)                                 | (2)                                 |
| - Actuarial loss /(gain) arising from experience assumptions                                        | 7                                   | 54                                  |
|                                                                                                     | <b>(10)</b>                         | <b>35</b>                           |

The principal assumptions used in determining benefit obligation are as shown below :

**v. Actuarial assumptions:**

*(i) Economic assumptions*

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

| Particulars                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------------------|------------------------|------------------------|
| Discount rate (p.a)                              | 7.40%                  | 7.00%                  |
| Salary growth rate (p.a)                         | 7.00%                  | 7.00%                  |
| Expected average remaining working lives (years) | 26.78                  | 26.63                  |

*(ii) Demographic assumptions*

| Particulars                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------|------------------------|------------------------|
| Retirement age (years)     | 58.00                  | 58.00                  |
| Mortality rate             | 100% of IALM 2012-14   | 100% of IALM 2012-14   |
| Attrition rate (per annum) | 29.00%                 | 27.68%                 |
| Upto 30 years              | 15.00%                 | 12.00%                 |
| From 31 to 44 years        | 13.00%                 | 15.00%                 |
| Above 44 years             | 1.00%                  | 0.68%                  |

The defined benefit plan exposes the Company to actuarial risks, such as longevity, salary inflation risk, demographic risk and interest rate risk.

**vi. Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 1 percentage.**

| Particulars                                        | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------|------------------------|------------------------|
| Projected benefit obligation on Current assumption | 376                    | 287                    |
| Impact of change in discount rate by +1%           | (39)                   | (29)                   |
| Impact of change in discount rate by -1%           | 46                     | 35                     |
| Impact of change in salary rate by +1%             | 46                     | 34                     |
| Impact of change in salary rate by -1%             | (39)                   | (30)                   |
| Impact of change in attrition rate by +50%         | (14)                   | (11)                   |
| Impact of change in attrition rate by -50%         | 15                     | 12                     |
| Impact of change in mortality rate by +1%          | ^                      | ^                      |
| Impact of change in mortality rate by -1%          | ^                      | (0)                    |

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

**Expected maturity analysis of the defined benefit plan in future years**

| Particulars                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------|------------------------|------------------------|
| Within 1 year (next annual reporting period) | 26                     | 23                     |
| 2 to 5 years                                 | 97                     | 72                     |
| 6 to 10 years                                | 138                    | 100                    |
| More than 10 years                           | 790                    | 549                    |
| <b>Total expected payments</b>               | <b>1,051</b>           | <b>744</b>             |

**vii. Weighted average duration and the expected employers contribution for next year of the defined benefit plan:**

| Particulars                                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------------|------------------------|------------------------|
| Weighted average duration of the defined benefit plan (in years) | 12                     | 11                     |





**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**25. Income tax**

Income tax expense has been allocated as follows:

| Particulars                                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------|------------------------|------------------------|
| Income tax expense as per the statement of profit and loss | 464                    | 372                    |
| Income tax included in Other comprehensive income on:      |                        |                        |
| Defined benefit plan actuarial gains                       | (3)                    | 7                      |
| <b>Total Income Taxes</b>                                  | <b>461</b>             | <b>379</b>             |

Income tax expense consists of the following:

| Particulars               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------|------------------------|------------------------|
| <b>Current taxes</b>      |                        |                        |
| Domestic                  | 497                    | 288                    |
|                           | 497                    | 288                    |
| <b>Deferred taxes</b>     |                        |                        |
| Domestic                  | (36)                   | 91                     |
|                           | (36)                   | 91                     |
| <b>Total income taxes</b> | <b>461</b>             | <b>379</b>             |

**Movement in deferred tax assets and liabilities**

| Particulars                    | As on 01 April 2022 | Credit/ (charge)<br>in the Standalone<br>Statement of Profit<br>and Loss | Credit/ (charge)<br>in OCI | As on 31 March 2023 |
|--------------------------------|---------------------|--------------------------------------------------------------------------|----------------------------|---------------------|
| Property, plant and equipment  | (6)                 | (8)                                                                      | -                          | (14)                |
| Compensated absences           | 126                 | 44                                                                       | -                          | 170                 |
| Others, net                    | (14)                | (3)                                                                      | (3)                        | (20)                |
| <b>Net deferred tax assets</b> | <b>106</b>          | <b>33</b>                                                                | <b>(3)</b>                 | <b>136</b>          |

| Particulars                    | As on 01 April 2021 | Credit/ (charge)<br>in the Standalone<br>Statement of Profit<br>and Loss | Credit/ (charge)<br>in OCI | As on 31 March 2022 |
|--------------------------------|---------------------|--------------------------------------------------------------------------|----------------------------|---------------------|
| Property, plant and equipment  | (9)                 | 3                                                                        | -                          | (6)                 |
| Compensated absences           | 42                  | 77                                                                       | 7                          | 126                 |
| MAT credit entitlement         | 142                 | (142)                                                                    | -                          | -                   |
| Others, net                    | 8                   | (22)                                                                     | -                          | (14)                |
| <b>Net deferred tax assets</b> | <b>183</b>          | <b>(84)</b>                                                              | <b>7</b>                   | <b>106</b>          |

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

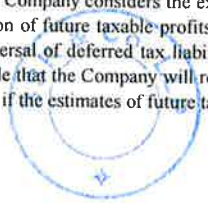
| Particulars                        | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------|------------------------|------------------------|
| Profit before taxes                | 1,766                  | 1,699                  |
| Enacted income tax rate in India   | 1,766                  | 1,699                  |
| Computed expected tax expense      | 25.17%                 | 29.12%                 |
| Effect off:                        | 445                    | 495                    |
| Income exempt from tax             | -                      | (241)                  |
| MAT write off                      | -                      | 148                    |
| Others, net                        | 19                     | (30)                   |
| <b>Total income taxes expenses</b> | <b>464</b>             | <b>372</b>             |

The components of deferred tax assets and liabilities are as follows:

| Particulars                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Property Plant and equipment   | (14)                   | (6)                    |
| Compensated absences           | 75                     | 54                     |
| Others, net                    | 75                     | 58                     |
| <b>Net deferred tax assets</b> | <b>136</b>             | <b>106</b>             |

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

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**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

"During the previous year the Company elected to move to new tax regime in financial year 2022-2023 as per Section 115 BAA of Income Tax Act, 1961 hence the available MAT credit balance is written off in FY 2021-2022.

**26. Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares, except where the results would be anti-dilutive. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

| Particulars                                                                                                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Profit for basic/diluted earning per share of face value of INR 10 each Profit attributable to equity holders of the Company | 1,302                  | 1,327                  |
| Weighted average number of equity shares outstanding <sup>(1)</sup>                                                          | 22,11,29,320           | 21,95,34,458           |
| <b>Basic earnings per share (face value of INR 10 each)</b>                                                                  | <b>5.89</b>            | <b>6.05</b>            |
| <b>Basic earnings per share</b>                                                                                              | <b>5.89</b>            | <b>6.05</b>            |

| Particulars                                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------|------------------------|------------------------|
| Profit attributable to equity holders of the Company       | 1,302                  | 1,327                  |
| Less : Net gain on extinguishment of financial liability   | -                      | -                      |
| Net profit attributable to equity holders of the Company   | <b>1,302</b>           | <b>1,327</b>           |
| Weighted average number of equity shares outstanding       | 22,11,29,320           | 21,95,34,458           |
| Effect of dilutive equivalent share options <sup>(1)</sup> | 11,25,841              | 11,64,061              |
| <b>Diluted earnings per share</b>                          | <b>5.86</b>            | <b>6.01</b>            |
| <b>Diluted earnings per share</b>                          | <b>5.86</b>            | <b>6.01</b>            |

<sup>(1)</sup> Pursuant to resolution passed by the shareholders of the Company on 06 July 2022, the Company has allotted 217,792,121 equity shares of face value of Rs 2 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:125 effective 06 July 2022. Accordingly, basic and diluted earning per share for the current year and for earlier year have been calculated / restated after considering the above bonus issue and appropriate adjustments on bonus shares to the outstanding options granted to the employees under the ESOP scheme of Ind AS-33 "Earnings Per Share" (refer note 13(a)).

**27. Related party relationships and transactions**

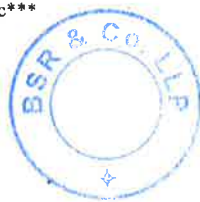
List of subsidiaries and step subsidiaries as at 31 March 2023, are provided in the table below:

| List of subsidiaries                                    | Country of<br>Incorporation | Percentage of holding (%) |
|---------------------------------------------------------|-----------------------------|---------------------------|
| ILSL Holdings Inc.                                      | USA                         | 100                       |
| Indegene Fareast Pte Ltd.                               | Singapore                   | 100                       |
| Indegene Europe LLC                                     | Switzerland                 | 100                       |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd.     | China                       | 100                       |
| Indegene Japan, GK <sup>(1)</sup>                       | Japan                       | 100                       |
| Indegene Healthcare Mexico S DE RL DE CV <sup>(2)</sup> | Mexico                      | 100                       |

<sup>(1)</sup> The company has been registered w.e.f June 15, 2020.

<sup>(2)</sup> The company has been registered w.e.f 02 December 2021.

| Step subsidiaries                                                         | Country of<br>Incorporation | Percentage of holding (%) |
|---------------------------------------------------------------------------|-----------------------------|---------------------------|
| <b>Subsidiaries of ILSL Holdings Inc</b>                                  |                             |                           |
| Indegene Inc                                                              | USA                         | 100                       |
| Medcases LLC (dissolved as of 16 August 2022)                             | USA                         | -                         |
| Indegene Healthcare LLC (dissolved as of 18 August 2022)                  | USA                         | -                         |
| Services Indegene Aptilon Inc                                             | Canada                      | 100                       |
| Indegene Wincere Inc*                                                     | USA                         | -                         |
| Indegene Ireland Limited                                                  | Ireland                     | 100                       |
| DT Associates Research and Consulting Services Ltd                        | England and Wales           | 60                        |
| Medical Marketing Economics, LLC (27 August 2021 upto 31 December 2021**) | USA                         | -                         |
| DT Associates Research and Consulting Inc***                              | USA                         | 60                        |
| Cult Health LLC <sup>(1)</sup>                                            | USA                         | 100                       |
| Indegene Healthcare Germany GmbH <sup>(2)</sup>                           | Germany                     | 100                       |



**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

\*Merged with Indegene Inc. on 01 July 2021

\*\*Acquired as on 27 August 2021 and merged with Indegene Inc. on 01 January 2022

\*\*\* Wholly owned subsidiary of DT Associates w.e.f. 16 July 2021

<sup>(1)</sup> Wholly owned subsidiary of by ILSL Holdings Inc w.e.f. 12 October 2022<sup>(2)</sup> Wholly owned subsidiary of Indegene Ireland Limited w.e.f. 10 November 2022**The list of controlled trusts are:**

| Name of the entity              | Country of Incorporation |
|---------------------------------|--------------------------|
| Indegene Employee Welfare Trust | India                    |

**Key Managerial Personnel:**

|                                       |                                                                                      |
|---------------------------------------|--------------------------------------------------------------------------------------|
| Mr. Manish Gupta                      | Chief Executive Officer and Director                                                 |
| Dr. Sanjay S Parikh                   | Executive Director                                                                   |
| Mr. Suhas Prabhu                      | Senior Vice President (designated as Chief Financial Officer w.e.f 03 November 2022) |
| Ms. Srishti Ramesh Kaushik            | Company Secretary                                                                    |
| Dr. Ashish Gupta                      | Non- executive Independent Director (w.e.f 28 April 2022)                            |
| Mr. Jairaj Manohar Purandare          | Non- executive Independent Director (w.e.f 28 April 2022)                            |
| Mr. Pravin Udhayara Bhadya Rao        | Non- executive Independent Director (w.e.f 08 June 2022)                             |
| Mr. Krishnamurthy Venugopala Tenneti  | Non- executive Independent Director (w.e.f 28 July 2022)                             |
| Dr. Georgia Nikolakopoulou Papathomas | Non- executive Independent Director (w.e.f 30 September 2022)                        |
| Mr. Neeraj Bharadwaj                  | Non- executive Nominee Director (w.e.f 16 April 2022)                                |
| Mr. Mark Francis Dzialga              | Non- executive Nominee Director (w.e.f 16 April 2022)                                |

**Name of the other related parties**

| Name of the other related parties                                     | Nature                                                                   |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
| OT Services Private Limited, India                                    | Entity with common shareholders with significant influence               |
| Exeevo Inc (Formerly Omnipresence Technologies Inc) USA               | Subsidiary of Entity with common shareholders with significant influence |
| Exeevo Services Inc (Formerly Omnipresence Technologies Services Inc) | Subsidiary of Entity with common shareholders with significant influence |

**Balances outstanding at the year end**

|                                    | Entity with common shareholders having significant influence |               |
|------------------------------------|--------------------------------------------------------------|---------------|
|                                    | 31 March 2023                                                | 31 March 2022 |
| <b>Other payables</b>              |                                                              |               |
| OT Services Private Limited, India |                                                              | 5             |

The transactions entered into with related parties during the year ended 31 March 2023 and 31 March 2022 are set out below:

| Description of transactions | 31 March 2023                             | 31 March 2022 |
|-----------------------------|-------------------------------------------|---------------|
| Short term benefits*        | All KMP's excluding independent directors | 80            |
|                             |                                           | 79            |

\*The above remuneration does not include gratuity, employee stock compensation costs, leave encashment as the same cannot be specifically identified.

The sitting fees and commission paid / accrued to non-executive independent directors is ₹ 24 and Nil for the year ended 31 March 2023 and 31 March 2022, respectively.

**Transactions with the above related parties during the year:**

| Nature of transactions                                 | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--------------------------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations                                | 8,393                               | 7,043                               |
| Expenses paid on behalf of subsidiaries                | 87                                  | 2                                   |
| Expenses of consultancy                                | 46                                  | 37                                  |
| Expenses paid by subsidiaries on behalf of the Company | 11                                  | 25                                  |
| Investment in subsidiary                               | 1,481                               | -                                   |
| Loan to subsidiaries                                   | -                                   | 1,330                               |
| Recharge of share based expense                        | 108                                 | 38                                  |
| Conversion of loan to Investment                       | 1,330                               | -                                   |
| Repayment of loan from subsidiaries                    | 11                                  | 3                                   |
| Interest income during the year                        | 101                                 | 55                                  |
| Dividend received                                      | -                                   | 6                                   |



**Indegene Limited (formerly Indegene Private Limited)**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**Balances receivable/payable from / to related parties are as follows:**

| Nature of transaction                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------------------------------|------------------------|------------------------|
| <b>Trade receivables</b>                                   |                        |                        |
| Indegene, Inc.                                             | 3,483                  | 3,012                  |
| Indegene Fareast Pte Ltd., Singapore                       | 1                      | 2                      |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 23                     | 20                     |
| DT Associates Research and Consulting Services Ltd         | 37                     | 2                      |
| <b>Loan receivables</b>                                    |                        |                        |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 1                      | 1,359                  |
| ILSL Holdings, Inc., USA                                   | -                      | 7                      |
| <b>Receivables*</b>                                        |                        |                        |
| Indegene Fareast Pte Ltd., Singapore                       | 2                      | ^                      |
| ILSL Holdings, Inc., USA                                   | 7                      | -                      |
| Indegene, Inc.                                             | 103                    | 7                      |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 9                      | 7                      |
| Services Indegene Aptilon Inc                              | 1                      | 1                      |
| Indegene Europe LLC                                        | 1                      | -                      |
| DT Associates Research and Consulting Services Ltd         | 48                     | 8                      |
| Indegene Japan LLC                                         | 1                      | -                      |
| <b>Payables</b>                                            |                        |                        |
| Indegene, Inc.                                             | 50                     | 40                     |
| DT Associates Research and Consulting Services Ltd         | 3                      | 8                      |

\* Includes the balances being in the nature of interest accrued towards loans given to subsidiaries of the company, reimb, where applicable and inter-corporate deposits with subsidiary.

The following are the significant related party transactions during the year ended 31 March 2023 and 31 March 2022:

| Particulars                                                | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Revenue from operations</b>                             |                                     |                                     |
| Indegene, Inc.                                             | 8,309                               | 6,990                               |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 44                                  | 34                                  |
| DT Associates Research and Consulting Services Ltd         | 38                                  | 17                                  |
| Indegene Fareast Pte Ltd., Singapore                       | 1                                   | 2                                   |
| <b>Expenses paid by subsidiaries on behalf of Indegene</b> |                                     |                                     |
| Indegene, Inc.                                             | 1                                   | 25                                  |
| DT Associates Research and Consulting Services Ltd         | 9                                   | -                                   |
| <b>Expenses of consultancy</b>                             |                                     |                                     |
| DT Consulting                                              | 46                                  | 32                                  |
| Indegene Fareast Pte Ltd., Singapore                       | -                                   | 6                                   |
| <b>Expenses paid on behalf of subsidiaries</b>             |                                     |                                     |
| ILSL Holdings, Inc., USA                                   | 7                                   | -                                   |
| DT Associates Research and Consulting Services Ltd         | 76                                  | 1                                   |
| Indegene Fareast Pte Ltd., Singapore                       | 2                                   | -                                   |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 1                                   | 1                                   |
| Services Indegene Aptilon Inc                              | -                                   | 1                                   |
| Indegene Japan LLC                                         | 1                                   | -                                   |
| <b>Investment in subsidiary</b>                            |                                     |                                     |
| ILSL Holdings, Inc., USA                                   | 1,481                               | -                                   |
| <b>Recharge of share based expense</b>                     |                                     |                                     |
| Indegene, Inc.                                             | 64                                  | 30                                  |
| DT Associates Research and Consulting Services Ltd         | 43                                  | 8                                   |
| Indegene Fareast Pte Ltd., Singapore                       | ^                                   | -                                   |
| Indegene Europe LLC                                        | 1                                   | -                                   |
| <b>Loan to subsidiaries</b>                                |                                     |                                     |
| ILSL Holdings, Inc., USA                                   | -                                   | 1,330                               |
| <b>Conversion of loan to investment</b>                    |                                     |                                     |
| ILSL Holdings, Inc., USA                                   | 1,330                               | -                                   |
| <b>Repayment of loan by subsidiaries</b>                   |                                     |                                     |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 11                                  | 3                                   |
| <b>Interest income during the year</b>                     |                                     |                                     |
| ILSL Holdings, Inc., USA                                   | 93                                  | 52                                  |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China | 8                                   | 4                                   |
| <b>Dividend received</b>                                   |                                     |                                     |
| Indegene Fareast Pte Ltd., Singapore                       | -                                   | 6                                   |

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.





**Indegene Limited (formerly Indegene Private Limited)****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**28. Commitments and Contingencies**

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

| Particulars                                               | As at         | As at     |
|-----------------------------------------------------------|---------------|-----------|
|                                                           | 31 March 2023 | 31-Mar-22 |
| Bank guarantee issued by the bank in favour of government | ^             | ^         |
| Income tax matters                                        | 7             | 5         |
| Goods and service tax matters                             | 94            | -         |
|                                                           | 101           | 5         |

Additionally, the company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on its standalone financial statements in any given financial year.

**Income tax matters**

The company has received tax demand orders for various assessment years the company has filed appeals against such orders at various levels of income tax jurisdiction. The final order against the appeals made are yet to be received.

The management is of the view that these will not have any material adverse effect on the company's financial position or results of operations.

**Goods and service tax matters**

Goods and service tax audit for the FY 2017-18 has been completed in the month of April 2023 with additional statutory liability for various matters decided by Deputy Commissioner of Commercial Taxes (Audit)-1.3, DGSTO-1, Bengaluru. Company is in process of filing the appeal against the audit report received from the GST department. The management is of the view that these will not have any material adverse effect on the Company's financial position or results of operations.

**Other Contingent Liability**

Indegene has filed their answer and affirmative defenses, since then, the parties have engaged in written discovery. The determination of the case is based on the several factors including the pool of potential taxes, whether these taxes are covered under opt-in program, etc. As at 31 March 2022, this regulatory action is under discovery proceedings, the outcome of which is uncertain. At this stage in the proceedings, on account of (i) stage of the proceedings and the overall length and extent of pre-trial discovery; (ii) entitlement of the parties to an action to appeal a decision; (iii) clarity as to theories of ability, damages and governing law; and (iv) uncertainty in timing of litigation, it is not possible to estimate the likelihood or extent of potential liability, if any.

(This space has been intentionally left blank)



## 29. Corporate Social Responsibility ('CSR')

| Particulars                                                                                                                                                                            | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| a. Amount required to be spent by the company during the year                                                                                                                          | 28                                  | 21                                  |
| b. Amount of expenditure incurred,                                                                                                                                                     |                                     |                                     |
| (i) Construction/acquisition of any asset                                                                                                                                              | -                                   | -                                   |
| (ii) On purposes other than above (i) above                                                                                                                                            | 28                                  | 21                                  |
| c. Shortfall at the end of the year                                                                                                                                                    | -                                   | -                                   |
| d. Total of previous years shortfall                                                                                                                                                   | -                                   | -                                   |
| e. Reason for shortfall,                                                                                                                                                               | NA                                  | NA                                  |
| f. Nature of CSR activities,                                                                                                                                                           | Education, Health, Technology       |                                     |
| g. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,                  | -                                   | -                                   |
| h. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | -                                   | -                                   |

\* Amount includes CSR unspent balance of ₹ 9 as on 31 March 2023, which subsequently transferred to CSR unspent bank account on 19 April 2023.

## 30. Segment information

The Company publishes this standalone financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

## 31. Note on "Code on Social Security 2020"

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 32. Additional regulatory information

### a) Analytical ratio

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

| Ratio                                       | Numerator                                      | Denominator                                            | 31 March 2023 | 31 March 2022 | Variance % |
|---------------------------------------------|------------------------------------------------|--------------------------------------------------------|---------------|---------------|------------|
| Current Ratio (in times)                    | Current assets                                 | Current liabilities                                    | 4.15          | 3.80          | 9%         |
| Debt - Equity ratio (in times)              | Total Debt (borrowings + lease liabilities)    | Total equity                                           | 0.06          | 0.07          | -5%        |
| Return on equity ratio (in %)*              | Net profit after taxes                         | Average Shareholder's Equity                           | 18%           | 29%           | -39%       |
| Trade receivables turnover ratio (in times) | Revenue from operations                        | Average Trade Receivable                               | 2.75          | 3.29          | -16%       |
| Trade payables turnover ratio (in times)    | Other expenses in statement of profit and loss | Average Trade Payables                                 | 5.04          | 4.14          | 22%        |
| Net capital turnover ratio (in times)       | Revenue from operations                        | Working Capital (current assets - current liabilities) | 1.88          | 2.12          | -11%       |
| Net profit ratio (in %)                     | Profit for the year                            | Revenue from operations                                | 13%           | 16%           | -18%       |
| Return on capital employed (in %)           | Earning before interest and taxes              | Capital Employed                                       | 22%           | 25%           | -13%       |
| Return on investment (in %)                 | Income generated from invested funds           | Average invested funds in treasury investments         | 4%            | 4%            | -3%        |

\* Variance is on account of conversion of debt to equity and issue of new shares in the previous year leading to significant improvement in previous year ratio.

Debt service coverage ratio and Inventory turnover ratio are not applicable to the Company.

b) The title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

d) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

e) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

f) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



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- h) The Company does not have any investment property during the financial year.
- i) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), during the financial year which are repayable on demand or without specifying any terms or period of repayment.
- j) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

33. No funds have been advanced / loaned / invested (from borrowed funds or from share premium or any other sources / kind of funds) by the Company to any other person(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise), that the Intermediary shall (i) directly or indirectly lend or investing other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

34. Cash credit facility availed from Kotak Mahindra Bank Ltd, The Hongkong and Shanghai Banking Corporation Limited, HDFC Bank Limited, Barclay's Bank PLC and Citibank N.A with the repayment term of up to 12 months at an interest rate in the range of 7 % - 9 % p.a, which are secured against charge created on all current and movable assets of the Company and lien on fixed deposit maintained with the bank at treasury rates prevailing on date of disbursement. As at 31 March 2023 the closing balance as at : nil (2022: nil).

Quarterly returns or statements of current assets filed by the Company, as applicable are in agreement with the books of accounts.


### 35. Subsequent events

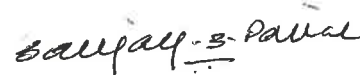
The Company has evaluated all events or transactions that occurred after 31 March 2023 up through 27 April 2023, the date the financial statements were authorised for issue by the Board of Directors

As per our report of even date attached  
for **BSR & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Indegene Limited (formerly Indegene Private Limited)**

  
**Vikash Gupta**  
Partner  
Membership number: 064597  
Place: Bengaluru  
Date: 29 April 2023

  
**Manish Gupta**  
CEO and Executive Director  
DIN: 00219273  
Place: Bengaluru  
Date: 29 April 2023

  
**Dr. Sanjay Parikh**  
Executive Director  
DIN: 00219278  
Place: Bengaluru  
Date: 29 April 2023

  
**Suhas Prabhu**  
Chief Financial Officer  
Place: Bengaluru  
Date: 29 April 2023

  
**Srishti Kaushik**  
Company Secretary  
Place: Bengaluru  
Date: 29 April 2023